



**TREETOP ASSET  
MANAGEMENT S.A.**

## **TreeTop Convertible SICAV**

Investment Company with variable capital  
incorporated under the laws of Luxembourg

*Prospectus*

September 2011

*Application forms can be obtained on request from the Investment Company's registered office*

**TreeTop Asset Management S.A.** | 12, rue Eugène Ruppert | L-2453 Luxembourg

Luxembourg Trade Register B-106890

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### WARNING

**Before considering subscribing for shares, you are recommended to read this Prospectus carefully.**

The Investment Company's shares are offered on the basis of the information shown in the Prospectus and the Simplified Prospectuses and the documents referred to therein, which are available from the registered offices of the Investment Company and the Management Company. The information contained in the Prospectus may be supplemented, if applicable, by the Investment Company's latest annual report and subsequent half-yearly reports. Copies of these documents can be obtained free of charge from the registered office of the Investment Company or of the Management Company. This information is also available on the Management Company's Internet site: [www.treetopam.com](http://www.treetopam.com).

Investors should not rely on information or declarations concerning the Investment Company, other than that appearing in this Prospectus and in the corresponding Simplified Prospectus(es). Investors shall bear the risks of subscriptions made on the basis of information other than that shown in this Prospectus or in the Simplified Prospectus(es) or in contradiction with the latter.

Investors intending to purchase shares in the Investment Company should familiarise themselves with (a) the laws in force in their own country regarding the purchase of shares, (b) any exchange control restrictions that may apply and (c) income tax and other taxes due in the event of the purchase, conversion or redemption of shares.

**If investors have any doubts about the information contained in this Prospectus or about the risks linked to an investment in the Investment Company's shares or about the tax or legal consequences of investing in the Investment Company's shares, they are recommended to consult their financial, legal or tax adviser, as applicable, in order to determine whether it is appropriate to invest in the Investment Company in the light of their personal situation.**

The Directors have endeavoured to ensure the veracity and accuracy of the content of this Prospectus as regards all important points on the date hereof and to avoid any omission of essential facts which might invalidate the representations or opinions expressed in this Prospectus. The Board of Directors of the Investment Company warrants that the information contained in this Prospectus is accurate on the date of its publication.

This Prospectus may be updated. Accordingly, subscribers are recommended to ascertain from the Investment Company or the Management Company whether a more recent prospectus exists.

This Prospectus may not be used for offers or for the purpose of soliciting sales in any country or in any circumstances where such offers or soliciting are not authorised. In particular, no steps, as covered by the law of 1940 on American investment companies, its amendments or any other law relating to transferable securities, have been taken to register the Investment Company or its units with the Securities and Exchange Commission. **Consequently this document may not be introduced, transmitted or distributed in the United States of America or in their territories or possessions or issued to a "US person", as defined by Regulation S of the US Securities Act of 1933, as amended. The shares of the Investment Company may be neither offered nor sold to "US persons". Any breach of these restrictions may be a violation of American securities laws. The Investment Company's Board of Directors shall demand immediate reimbursement of shares purchased or held by US persons, including investors who became "US persons" after the acquisition of the shares.**

Certain personal data concerning investors may be collected, recorded, transferred, processed and used by the Investment Company, the Management Company, the Central Administration and distributors/nominees. Such data may be used in particular in the framework of identification obligations pursuant to laws to combat money laundering or the financing of terrorism. Such information shall not be transmitted to unauthorised third parties. In applying for the Investment Company's shares, all investors accept that their personal data may be processed in this way.

Since 1st July 2011, the Investment Company has been subject to the provisions of the law of 17 December 2010 on undertakings for collective investment (the "Law of 2010") and, unless the context requires otherwise, any reference to the amended law of 20 December 2002 on undertakings for collective investment (the "Law of 2002") shall be understood to refer to the corresponding provisions of the Law of 2010.

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## I. GENERAL DESCRIPTION OF THE INVESTMENT COMPANY

<b>Name of the Investment Company</b>	→ TreeTop Convertible SICAV
<b>Registered Office</b>	→ 12, Rue Eugène Ruppert L-2453 Luxembourg
<b>Legal form</b>	→ An open-ended Investment Company with multiple sub-funds incorporated under the laws of Luxembourg, subject to Part I of the Law of 2010.
<b>Authorisation</b>	→ The Investment Company is registered on the official list of undertakings for collective investment in transferable securities (“UCITS”) in Luxembourg and has been authorised pursuant to Directive 2009/65/EEC to market the Investment Company’s sub-funds in certain European Union Member States.  The fact that the Investment Company is registered on the official list drawn up by the supervisory authority may not be interpreted in any circumstances or in any way whatsoever as a positive assessment by the supervisory body of the shares offered for sale.
<b>Luxembourg Trade Register N°</b>	→ B 27.709
<b>Date of incorporation and articles of association</b>	→ 31 March 1988 for an unlimited duration under the name of “Star Convertible Fund”. The name was changed to “TreeTop Convertible SICAV” at extraordinary general meetings of shareholders.  The Investment Company’s articles of association were published in the Mémorial, Official Journal of Companies and Associations (the “Mémorial”) on 9 May 1988. The articles of association were last amended by an extraordinary general meeting of shareholders on 25 March 2008. The amendments were published in the Mémorial on 14 April 2008.  The articles of association as well as a legal notice relating to the issuance of the Investment Company’s shares have been filed with the Clerk of the District Court of and in Luxembourg. The said documents can be consulted there and copies can be obtained on request, against payment of the court office fees.
<b>Minimum capital</b>	→ EUR 1,250,000
<b>Consolidation currency</b>	→ EUR
<b>End of financial year</b>	→ 31 December of every year
<b>Number of sub-funds</b>	→ 2 sub-funds each representing a body of specific assets and commitments and each corresponding to a distinct investment policy. The Board of Directors may subsequently launch other sub-funds whose investment policy and offering terms shall be communicated at the appropriate time via an update to this Prospectus.
<b>Name of the sub-funds</b>	→ <ul style="list-style-type: none"><li>- TreeTop Convertible International</li><li>- TreeTop Convertible Pacific</li></ul> The investment policy and other characteristics of each sub-fund are set out in the information sheets in section IV of the Prospectus.

## **II. ORGANISATION OF THE INVESTMENT COMPANY**

<b>Board of Directors</b>	→ Jacques BERGHMANS Chairman of the Board of Directors and Manager of TREETOP ASSET MANAGEMENT S.A., Luxembourg Chairman of the Board of Directors  Olivier de VINCK Director and Manager of TREETOP ASSET MANAGEMENT S.A., Luxembourg Director  Hubert d'ANSEMBOURG Director of TREETOP ASSET MANAGEMENT S.A., Luxembourg Director  Vincent Planche Director and a member of the executive committee of DEGROOF FUND MANAGEMENT COMPANY S.A., Brussels Director  Marc André BECHET Manager Banque Degroof Luxembourg S.A., Luxembourg Director  André BIRGET Finance Director, FOYER S.A., Luxembourg Director
<b>Management Company</b>	→ TREETOP ASSET MANAGEMENT S.A. 12, rue Eugène Ruppert, L-2453 Luxembourg www.treetopam.com
<b>Custodian bank</b>	→ BANQUE DEGROOF LUXEMBOURG S.A. 12, rue Eugène Ruppert, L-2453 Luxembourg
<b>Paying and Administrative Agent</b>	→ BANQUE DEGROOF LUXEMBOURG S.A. 12, rue Eugène Ruppert, L-2453 Luxembourg
<b>Corporate auditor</b>	→ PRICEWATERHOUSECOOPERS S.à r.l. 400, route d'Esch, L-1014 Luxembourg
<b>Supervisory Authority</b>	→ COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER 110, route d'Arlon, L-1150 Luxembourg www.cssf.lu

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### **Financial services agents**

→ In Luxembourg: BANQUE DEGROOF LUXEMBOURG S.A.  
12, rue Eugène Ruppert, L-2453 Luxembourg

In Belgium: BANQUE DEGROOF S.A.  
44, rue de l'Industrie, B-1040 Brussels

In the United Kingdom: TREETOP ASSET MANAGEMENT L.L.P.  
33, Saint James's Square, GB-London SW1Y 4JS

In France: CACEIS BANK  
1-3, Place Valhubert, F-75013 Paris

In Spain: PRIVATBANK DEGROOF S.A.  
464, Av. Diagonal, E-08006 Barcelona

### **III. THE INVESTMENT COMPANY'S OBJECTIVES AND RELATED RISKS**

#### **THE INVESTMENT COMPANY'S OBJECTIVES**

The Investment Company's objective is to offer shareholders the possibility to participate in the active professional management of diversified portfolios of eligible financial assets. The portfolio of each sub-fund is managed in accordance with its investment policy defined in Section IV and reflects the investment style and convictions of the sub-fund's portfolio manager(s).

In accordance with the conditions and limits set out in Section V eligible financial assets may consist of transferable securities, money market instruments, shares in UCITS and/or UCI, bank deposits and/or derivative financial instruments.

The Investment Company may invest in structured funds such as, but not exclusively, synthetic convertible bonds and capital guaranteed notes. The term "structured product" refers to transferable securities issued by financial institutions and which are created with the aim of restructuring the investment characteristics of certain other investments (the "underlying assets"). In this framework, institutions issue transferable securities ("structured products") representing interests in the underlying assets. The underlying assets of these structured products must represent eligible liquid financial assets or financial indices and comply with the investment policy and objectives of the sub-fund concerned. In addition, the risks to which the underlying assets are exposed may not exceed the investment limits fixed in section V, under the heading "Investment restrictions", points 3. a) to d), 5. and 6. When a sub-fund invests in structured products based on an index, these investments are not necessarily combined with the aforementioned investment limits.

The various sub-funds shall not invest more than 10% of their net assets in UCITS and UCI.

#### **RISKS ASSOCIATED WITH AN INVESTMENT IN THE INVESTMENT COMPANY**

The assets of each sub-fund are subject to financial market fluctuations and the risks inherent in any investment in financial assets. The diversification of the portfolios of the sub-funds and the conditions and limits set out in section V are intended to manage and limit these risks without however excluding them. The Investment Company cannot guarantee that the objectives of the sub-funds will be achieved and that investors will recover the amount of their initial investment.

The risks associated with investments in shares and other securities classified as shares include price fluctuations, which can sometimes be substantial, extended price falls depending on economic circumstances and general policies or the specific situation of each issuer, and even the loss of the capital invested in the financial asset if the issuer defaults (market risk).

It is to be noted that some warrants, as well as options, although likely to generate a bigger gain than shares because of their leverage, are characterised by significantly higher price volatility than that of the underlying asset or financial index. These instruments can in fact lose all their value.

Investments in convertible bonds are sensitive to fluctuations in the prices of the underlying shares ("share component" of convertible bonds) while offering a certain form of protection of part of the capital ("bond floor" of convertible bonds). The level of capital protection decreases in line with the size of the share component. The corollary of this is that when a convertible bond's market value has increased substantially following an increase in the underlying share price, its risk profile will be closer to that of a share. On the other hand, when a convertible bond's market value has fallen to the level of its bond floor following a fall in the underlying share price, its risk profile, from this point, will be closer to that of a traditional bond.

Convertible bonds, like all other type of bonds, are subject to the risk that the issuer cannot meet its obligations as regards paying interest and/or repaying the principal at maturity (credit risk). The perception by the market of an increase in the probability of this risk occurring for a given issuer results in a sometimes very significant decline in the bond's market value and therefore in the protection offered by the bond content of the convertible bond. Bonds are in addition exposed to the risk of a drop in their market value following an increase in benchmark interest rates (interest rate risk).

Investments made in a currency different from the reference currency of the class of shares concerned have a foreign exchange risk: at constant prices, the market value of an investment denominated in a currency different from that of a given class of shares, expressed in the currency of the class of shares concerned may fall following an unfavourable change in the exchange rate between the two currencies.

Investments in so-called “emerging” markets and securities issued by small companies can sometime be less liquid and more volatile than investments in so-called “traditional” markets and securities issued by big companies.

During periods of political instability, monetary crises (credit crises in particular) and economic crises, financial markets are generally characterised by a significant fall in market prices, increased volatility and a deterioration in liquidity conditions. This increased volatility and deterioration in liquidity conditions will in general have a greater impact on so-called “emerging” markets, financial assets issued by small companies and small bond issues. When exceptional events occur, the Investment Company may be led to realise assets at a price which does not reflect their intrinsic value (liquidity risk) and investors may incur the risk of heavy losses.

In accordance with the stipulations of Section V on “Eligible Investments and Investment Restrictions”, each sub-fund of the Investment Company must ensure that its total risk linked to derivative financial instruments does not exceed the total net value of its portfolio.

Total risk is a measurement designed to limit the effect of leverage generated at the level of each sub-fund through the use of derivative financial instruments. The method used to calculate this risk for each sub-fund of the Investment Company will be that of commitments. This method involves converting the positions in derivative financial instruments into equivalent positions in the underlying assets and then aggregating the market value of these equivalent positions.

The Investment Company offers investors a choice of portfolios which may have differing degrees of risk and therefore, in principle, a projected long-term overall yield in line with the degree of risk accepted. Each sub-fund is characterised by a risk level defined on a scale of seven levels from 0 to 6. Level 0 corresponds to the lowest risk, that is to say a bank deposit investment, and level 6 to the highest risk, that is to say a portfolio of shares of emerging countries or highly cyclical economic sectors. A sub-fund’s risk level is determined on the basis of an average of the previous price volatility of the sub-fund’s shares. The indicated risk level for a sub-fund is therefore indicative and is not a guarantee of the sub-fund’s future risk level; greater stock market volatility can, for example, lead to an effective increase in the risk level.

In addition, the higher the risk level, the more investors must have a long-term investment timescale and be ready to accept the risk of a substantial capital loss. A sub-fund with a high risk level must not in general represent a substantial part of the investor’s assets, unless the investor has substantial assets and is willing to accept the risk of a significant capital loss.

**In the event of any doubts about the risks relating to an investment in the Investment Company’s shares, or about whether a sub-fund is an appropriate investment given the investor’s personal situation, investors should consult their financial adviser in order to determine whether it is suitable for them to invest in the Investment Company.**

### INVESTMENT OBJECTIVES AND POLICIES AND RISK PROFILE OF THE SUB-FUNDS

The investment objective and policy determined by the Board of Directors as well as the risk profile and the type of investors of each sub-fund are described in the information sheets in Section IV.

When the term “mainly” is used in the description of the sub-funds, it must be understood as being equivalent to at least two-thirds and the term “in the majority” or “majority” as being equivalent to at least half. These notions of “mainly”, “in the majority” or “majority” may apply to the type of financial assets, geographical or industrial sector, the amount of the stock market capitalisation of companies, the quality of issuers or the currency of investments. The use of these notions in the description of the investment policy of the sub-funds indicates a minimum threshold defined as an objective by the Investment Company’s Board of Directors and not as a constraint. The sub-fund may therefore temporarily derogate from these minimum limits to take account of special market situations or when cash is held pending investment opportunities.

Investors wanting to ascertain the historical performances of the sub-funds should consult the corresponding Simplified Prospectus. Investors should note, however, that this data is under no circumstances an indicator of the future performance of the various sub-funds of the Investment Company.

## **IV. DESCRIPTION OF THE INVESTMENT COMPANY'S SUB-FUNDS – INFORMATION SHEETS**

**TREETOP CONVERTIBLE INTERNATIONAL**

PRESENTATION OF THE INVESTMENT COMPANY

<b>Legal form</b>	→ An open-ended Investment Company with multiple sub-funds incorporated under the laws of Luxembourg, subject to Part I of the Law of 2010.
<b>Date of incorporation</b>	→ 31 March 1988 for an unlimited duration.
<b>Management Company and promoter</b>	→ TREETOP ASSET MANAGEMENT S.A. 12, rue Eugène Ruppert, L-2453 Luxembourg
<b>Custodian bank</b>	→ BANQUE DEGROOF LUXEMBOURG S.A. 12, rue Eugène Ruppert, L-2453 Luxembourg
<b>Paying and Administrative Agent</b>	→ BANQUE DEGROOF LUXEMBOURG S.A. 12, rue Eugène Ruppert, L-2453 Luxembourg
<b>Corporate auditor</b>	→ PRICEWATERHOUSECOOPERS S.à r.l. 400, route d'Esch, L-1014 Luxembourg
<b>Supervisory Authority</b>	→ COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER 110, route d'Arlon, L-1150 Luxembourg <a href="http://www.cssf.lu">www.cssf.lu</a>
<b>Financial services agents</b>	→ In Luxembourg: BANQUE DEGROOF LUXEMBOURG S.A. 12, rue Eugène Ruppert, L-2453 Luxembourg  In Belgium: BANQUE DEGROOF S.A. 44, rue de l'Industrie, B-1040 Brussels  In the United Kingdom: TREETOP ASSET MANAGEMENT L.L.P. 33, Saint James's Square, GB-London SW1Y 4JS  In France: CACEIS BANK 1-3, Place Valhubert, F-75013 Paris  In Spain: PRIVATBANK DEGROOF S.A. 464, Av. Diagonal, E-08006 Barcelona

### PRESENTATION OF THE TREETOP CONVERTIBLE INTERNATIONAL SUB-FUND

#### INVESTMENT POLICY, RISKS AND PROFILE OF INVESTORS

- The sub-fund's objective** → The sub-fund's main objective is to achieve a long-term capital gain on the capital invested.
- Investment policy** → The sub-fund will endeavour to achieve its objective by investing in a portfolio composed chiefly of convertible bonds which may be denominated in different currencies, without limitation.
- Subject to this constraint, the sub-fund's portfolio may be invested in shares, other negotiable securities considered as shares or entitling the holder to acquire shares by way of subscription or exchange, traditional bonds, money market instruments, bank deposits, derivative financial instruments and, up to not more than 10% of the sub-fund's assets, in shares in undertakings for collective investment.
- For foreign exchange risk management purposes, the sub-fund may use currency hedging techniques and derivative financial instruments (forward foreign exchange contracts, currency futures, currency options, etc.).
- Risk profile** → The sub-fund's assets are subject to market fluctuations and the risks inherent in any investment in financial assets. In particular, the risks relating to investments in shares and other negotiable securities classified as shares include price fluctuations which can sometimes be important. Investments in convertible bonds reduce the downward risk of the underlying shares without however eliminating it. As the sub-fund's objective is to achieve a long-term capital gain, it will in general hold a portfolio of convertible bonds having a substantial share content.
- On a scale of risk from 0 (the lowest) to 6 (the highest), the sub-fund's risk level is estimated at 4.
- It is possible that investors may not recover their initial investment.
- Investor profile** → The sub-fund is intended for institutional investors or well-informed retail investors wanting to take advantage of movements in share prices via a portfolio composed mainly of international convertible bonds whose composition will reflect the portfolio manager's convictions.
- Investors must have a good knowledge of the risks relating to financial markets and be ready to accept capital losses due to fluctuations in the value of the portfolio's assets.
- Minimum investment time frame** → Given the risks inherent in the sub-fund's investment policy, the recommended time frame is not less than 5 to 7 years.

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### THE SUB-FUND'S SHARES

Class	Currency	Dividend Policy	Hedging against foreign exchange risks	Front-end load	Management fees	Performance commission	Minimum initial investment	ISIN code
<b>A</b>	EUR	Capitalisation	Yes	3% maximum	1.2%	12%	EUR 5,000	LU0012006317
<b>B</b>	USD	Capitalisation	Yes	3% maximum	1.2%	12%	USD 5,000	LU0221833030
<b>C</b>	GBP	Distribution	Yes	3% maximum	1.2%	12%	GBP 5,000	LU0305892035
<b>D</b>	EUR	Distribution	Yes	3% maximum	1.2%	12%	EUR 5,000	LU0332191302

**Hedging against foreign exchange risks** → For all share classes, the manager's objective will be to hedge the majority of positions in the portfolio in a currency other than the reference currency of the class of shares concerned, provided that an efficient market exists for the currency to be hedged and that the hedging cost is, in the manager's opinion, reasonable. As hedges are reviewed weekly, short positions may temporarily exceed the foreign currency assets to be hedged.

**Front-end load** → Shares in the sub-fund are issued at a price corresponding to the net asset value per share, increased by a front-end load fee payable to the distributor. It is for the distributor to decide the front-end load that it intends to charge.

**Exit fee and conversion fee** → Nil

**Dividend Policy** → No dividends will be paid for class A and B shares. The proportion of income and capital gains to be allocated to the capitalisation shares will be capitalised and allocated to the shares in question.

On a proposal of the Board of Directors and subject to a decision of the general meeting of shareholders, class C and D shares intend to distribute an annual dividend calculated in accordance with legal limits and any relevant provisions in the articles of association.

All dividend payment notices shall be published in the *Wort* in the case of the Grand-Duchy of Luxembourg and in a newspaper of the country/countries where the Investment Company is marketed whenever such publication is required in the country in question.

### COMMISSIONS AND COSTS TO BE BORNE BY THE SUB-FUND

**Management fees** → 1.20% a year, calculated on the average net value of the sub-fund during the quarter under review, payable at the end of each quarter to the Management Company.

**Performance commission** → 12% of the positive increase in the NAV per share before calculation of the performance composition, in relation to the NAV per benchmark share. The reference NAV per share is the highest ever previously achieved by the sub-fund; in the case of dividend payments, these will be added to the NAV in order to calculate the highest NAV ever achieved. A provision shall be created for the performance commission every time the NAV is calculated on the basis of the number of shares of the sub-fund in circulation on the day the NAV is calculated. The amount thus calculated shall be paid to the Management Company at the end of each quarter.

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- Commissions of the custodian bank and the transfer agent (excluding transaction costs)** → - 0.225% per annum on the tranche of the sub-fund's average net assets between 0 and 35 million EUR,  
- 0.200% per annum on the tranche of the sub-fund's average net assets between 35 million and 125 million EUR,  
- 0.175% per annum on the tranche of the sub-fund's average net assets in excess of 125 million EUR,  
with a minimum of EUR 25,000.00 per year.
- Paying agent's commission** → Flat rate amount of EUR 2,500.00 a year plus a fixed amount of EUR 1,000.00 per year per country where the sub-fund is marketed.
- Administration commission** → - 0.080% per annum on the tranche of the sub-fund's average net assets between 0 and 125 million EUR,  
- 0.065% per annum on the tranche of the sub-fund's average net assets in excess of 125 million EUR,  
with a minimum of EUR 25,000.00 per year.
- Operating costs** → The Investment Company shall bear all its other operating costs as defined in section XII of this Prospectus.  
  
The costs and charges which are not attributable to a specific sub-fund shall be charged to the various sub-funds pro rata to their respective net assets.

### MARKETING OF SHARES

- Subscription, Repurchase, Conversion of shares** → Subscription, repurchase and conversion applications received by the Investment Company on the basis of the completed application form before 13:15 (local time) on the business day preceding a Valuation Day will be executed on the basis of the net asset value ("NAV") as determined on the said Valuation Day.  
  
The net subscription price for each share is payable three business days after the Valuation Day.  
  
The share repurchase price shall be paid 3 working days after the Valuation Day, subject to all the documents attesting to the repurchase having been received by the Investment Company.
- Calculation and publication of the net asset value** → The net asset value of each class shall be determined every day on which banks are open for business in Luxembourg (a Valuation Day).  
  
The net asset values, the issue and repurchase prices shall be made public on every valuation day at the registered office of the Investment Company, as well as at the registered office of the Management Company.

### TAX ARRANGEMENTS

- Fiscality of the Investment Company** → No duties or taxes are payable in Luxembourg, except for a subscription tax of 0.05% per annum calculated on the net assets of the sub-fund at the end of every quarter.

### **Tax position of shareholders**

- Dividend payments and capital reimbursements to shareholders may be subject to a withholding tax in accordance with the provisions of the law of 21 June 2005 transposing into the laws of Luxembourg the European Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments (as amended). Where such a payment is subject to withholding tax, investors can avoid such a withholding tax by transmitting a certificate of exemption or an authorisation to exchange information, depending on the possibilities proposed by the paying agent.

Shareholders are recommended to consult their tax adviser about the laws and regulations in force in their country of origin, residence or domicile.

**TREETOP CONVERTIBLE PACIFIC**

PRESENTATION OF THE INVESTMENT COMPANY

<b>Legal form</b>	→ An open-ended Investment Company with multiple sub-funds incorporated under the laws of Luxembourg, subject to Part I of the Law of 2010.
<b>Date of incorporation</b>	→ 31 March 1988 for an unlimited duration.
<b>Management Company and promoter</b>	→ TREETOP ASSET MANAGEMENT S.A. 12, rue Eugène Ruppert, L-2453 Luxembourg
<b>Custodian bank</b>	→ BANQUE DEGROOF LUXEMBOURG S.A. 12, rue Eugène Ruppert, L-2453 Luxembourg
<b>Paying and Administrative Agent</b>	→ BANQUE DEGROOF LUXEMBOURG S.A. 12, rue Eugène Ruppert, L-2453 Luxembourg
<b>Corporate auditor</b>	→ PRICEWATERHOUSECOOPERS S.à r.l. 400, route d'Esch, L-1014 Luxembourg
<b>Supervisory Authority</b>	→ COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER 110, route d'Arlon, L-1150 Luxembourg <a href="http://www.cssf.lu">www.cssf.lu</a>
<b>Financial services agents</b>	→ In Luxembourg: BANQUE DEGROOF LUXEMBOURG S.A. 12, rue Eugène Ruppert, L-2453 Luxembourg  In Belgium: BANQUE DEGROOF S.A. 44, rue de l'Industrie, B-1040 Brussels  In the United Kingdom: TREETOP ASSET MANAGEMENT L.L.P. 33, Saint James's Square, GB-London SW1Y 4JS  In France: CACEIS BANK 1-3, Place Valhubert, F-75013 Paris  In Spain: PRIVATBANK DEGROOF S.A. 464, Av. Diagonal, E-08006 Barcelona

## PRESENTATION OF THE TREETOP CONVERTIBLE PACIFIC SUB-FUND

### INVESTMENT POLICY, RISKS AND PROFILE OF INVESTORS

- The sub-fund's objective** → The sub-fund's main objective is to achieve a long-term capital gain on the capital invested.
- Investment policy** → The sub-fund will endeavour to achieve its objective by investing in a portfolio composed chiefly of convertible bonds denominated in different currencies, without limitation. Funds will be invested in financial assets representative of companies having their registered office or operating predominantly in countries of the Pacific region (such as, for example, Korea, Singapore, Hong Kong, China and Australia).
- Subject to this constraint, the sub-fund's portfolio may be invested in shares, other negotiable securities considered as shares or entitling the holder to acquire shares by way of subscription or exchange, traditional bonds, money market instruments, bank deposits, derivative financial instruments and, up to not more than 10% of the sub-fund's assets, in shares in undertakings for collective investment.
- In order to cover foreign exchange risk, the sub-fund may use hedging techniques and derivative financial instruments (forward foreign exchange contracts, currency futures, currency options, etc.).
- Risk profile** → The sub-fund's assets are subject to market fluctuations and the risks inherent in any investment in financial assets. In particular, the risks relating to investments in shares and other negotiable securities classified as shares include price fluctuations which can sometimes be important. Investments in convertible bonds reduce the downward risk of the underlying shares without however eliminating it. As the sub-fund's objective is to achieve a long-term capital gain, it will in general hold a portfolio of convertible bonds having a substantial share content. A certain number of countries in the Pacific region are "emerging" markets where fluctuations are generally stronger than on "developed" markets.
- On a scale of risk from 0 (the lowest) to 6 (the highest), the sub-fund's risk level is estimated at 5.
- It is possible that investors may not recover their initial investment.
- Investor profile** → The sub-fund is intended for institutional investors or well-informed retail investors wanting to take advantage of movements in share prices via a portfolio composed mainly of bonds convertible into shares of companies established or operating predominantly in countries of the Pacific region and whose composition will reflect the portfolio manager's convictions.
- Investors must have a good knowledge of the risks relating to financial markets and be ready to accept capital losses due to fluctuations in the value of the portfolio's assets.
- Minimum investment time frame** → Given the risks inherent in the sub-fund's investment policy, the recommended time frame is not less than 6 to 8 years.

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### THE SUB-FUND'S SHARES

Class	Currency	Dividend Policy	Hedging against foreign exchange risks	Front-end load	Management fees	Performance commission	Minimum initial investment	ISIN code
<b>A</b>	EUR	Capitalisation	Yes	3% maximum	1.2%	12%	EUR 5,000	LU0098674145
<b>B</b>	USD	Capitalisation	Yes	3% maximum	1.2%	12%	USD 5,000	LU0221833386

- Hedging against foreign exchange risks** → For class A and B shares, the manager's objective will be to hedge the majority of positions in the portfolio in a currency other than the reference currency of the class of shares concerned, provided that an efficient market exists for the currency to be hedged and that the hedging cost is, in the manager's opinion, reasonable. As hedges are reviewed weekly, short positions may temporarily exceed the foreign currency assets to be hedged.
- Front-end load** → Shares in the sub-fund are issued at a price corresponding to the net asset value per share, increased by a front-end load fee payable to the distributor. It is for the distributor to decide the front-end load that it intends to charge.
- Exit fee and conversion fee** → Nil
- Dividend Policy** → No dividends will be paid for class A and B shares. The proportion of income and capital gains to be allocated to the capitalisation shares will be capitalised and allocated to the shares in question.

### COMMISSIONS AND COSTS TO BE BORNE BY THE SUB-FUND

- Management fees** → 1.20% a year, calculated on the average net value of the sub-fund during the quarter under review, payable at the end of each quarter to the Management Company.
- Performance commission** → 12% of the positive increase in the NAV per share before calculation of the performance composition, in relation to the NAV per benchmark share. The reference NAV per share is the highest ever previously achieved by the sub-fund; in the case of dividend payments, these will be added to the NAV in order to calculate the highest NAV ever achieved. A provision shall be created for the performance commission every time the NAV is calculated on the basis of the number of shares of the sub-fund in circulation on the day the NAV is calculated. The amount thus calculated shall be paid to the Management Company at the end of each quarter.
- Commissions of the custodian bank and the transfer agent (excluding transaction costs)** →
- 0.225% per annum on the tranche of the sub-fund's average net assets between 0 and 35 million EUR,
  - 0.200% per annum on the tranche of the sub-fund's average net assets between 35 million and 125 million EUR,
  - 0.175% per annum on the tranche of the sub-fund's average net assets in excess of 125 million EUR,
- with a minimum of EUR 25,000.00 per year.
- Paying agent's commission** → Flat rate amount of EUR 2,500.00 a year plus a fixed amount of EUR 1,000.00 per year per country where the sub-fund is marketed.

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- Administration commission** → - 0.080% per annum on the tranche of the sub-fund's average net assets between 0 and 125 million EUR,  
- 0.065% per annum on the tranche of the sub-fund's average net assets in excess of 125 million EUR,  
with a minimum of EUR 25,000.00 per year.
- Operating costs** → The Investment Company shall bear all its other operating costs as defined in section XII of this Prospectus.  
The costs and charges which are not attributable to a specific sub-fund shall be charged to the various sub-funds pro rata to their respective net assets.

### MARKETING OF SHARES

- Subscription, Repurchase, Conversion of shares** → Subscription, repurchase and conversion applications received by the Investment Company on the basis of the completed application form before 13:15 (local time) on the business day preceding a Valuation Day will be executed on the basis of the net asset value ("NAV") as determined on the said Valuation Day.  
The net subscription price for each share is payable three business days after the Valuation Day.  
The share repurchase price shall be paid 3 working days after the Valuation Day, subject to all the documents attesting to the repurchase having been received by the Investment Company.
- Calculation and publication of the net asset value** → The net asset value of each class shall be determined every day on which banks are open for business in Luxembourg (a Valuation Day).  
The net asset values, the issue and repurchase prices shall be made public on every valuation day at the registered office of the Investment Company, as well as at the registered office of the Management Company.

### TAX ARRANGEMENTS

- Fiscality of the Investment Company** → No duties or taxes are payable in Luxembourg, except for a subscription tax of 0.05% per annum calculated on the net assets of the sub-fund at the end of every quarter.
- Tax position of shareholders** → Dividend payments and capital reimbursements to shareholders may be subject to a withholding tax in accordance with the provisions of the law of 21 June 2005 transposing into the laws of Luxembourg the European Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income in the form of interest payments (as amended). Where such a payment is subject to withholding tax, investors can avoid such a withholding tax by transmitting a certificate of exemption or an authorisation to exchange information, depending on the possibilities proposed by the paying agent.  
Shareholders are recommended to consult their tax adviser about the laws and regulations in force in their country of origin, residence or domicile.

### V. ELIGIBLE INVESTMENTS AND INVESTMENT RESTRICTIONS

#### ELIGIBLE FINANCIAL ASSETS

The various sub-funds of the Investment Company must invest exclusively in:

##### ***Transferable securities and money market instruments***

- a) transferable securities and money market instruments that are listed or dealt in on a regulated market as recognised by its home Member State and registered on the list of regulated markets published in the Official Journal of the European Union ("EU") or on its official Web site (hereinafter "Regulated Market");
- b) transferable securities and money market instruments dealt in on another regulated market in an EU Member State which operates regularly and is recognised and open to the public;
- c) transferable securities and money market instruments admitted to official listing on a stock exchange in a non-EU Member State or dealt in on another regulated market in a non-EU Member State which operates regularly and is recognised and open to the public;
- d) newly issued transferable securities and money market instruments, provided that (i) the issue terms and conditions contain an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognised and open to the public and that (ii) such admission is secured within one year of issue at the latest;
- e) money market instruments other than those dealt in on a regulated market, provided that the issue or the issuer of these instruments are themselves subject to regulations intended to protect investors and savings and that these instruments are:
  - issued or guaranteed by a central, regional or local administration, by a central bank of an EU Member State, by the European Central Bank, by the EU or by the European Investment Bank, by a third State or, in the case of a federal State, by one of the members composing the federation, or by an international public organisation to which one or more EU Member States belong; or
  - issued by a company whose shares are dealt in on the regulated markets referred to under points a), b) and c) above; or
  - issued or guaranteed by an establishment subject to prudential supervision in accordance with the criteria defined by Community law or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as strict as those laid down under Community law; or
  - issued by other entities belonging to categories approved by the CSSF provided that the investments in these instruments are subject to investor protection rules which are equivalent to those set out in the first, second or third indents, and that the issuer is a company which has capital and reserves of at least ten million Euros (EUR 10,000,000.-) and which draws up and publishes its annual accounts in accordance with directive 78/660/EEC, is an entity which, within a group of companies including one or more listed companies, is dedicated to financing the group or is an entity which is dedicated to financing securitisation vehicles benefiting from a bank credit line.

Any sub-fund of the Investment Company may furthermore invest up to a maximum of 10% of its net assets in transferable securities and money market instruments other than those referred to under points a) to e) above.

##### ***Units of collective investment undertakings***

- f) units of undertakings for collective investment in transferable securities ("UCITS") and/or other undertakings for collective investment ("UCI") within the meaning of article 1, paragraph 2, points a) and b) of the European directive 2009/65/EC, whether or not they are located in an EU Member State, on condition that:
  - such other UCI are authorised in accordance with legislation stipulating that these undertakings are subject to a supervision that the CSSF considers as equivalent to that provided for under Community legislation and that there are sufficient guarantees of cooperation between the authorities;

- the level of protection guaranteed to unit-holders of such other UCIs is equivalent to that provided for UCITS unit-holders and, in particular, that the rules relating to the division of assets, borrowing, loans, uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the European directive 2009/65/EC;
- the activities of such other UCI are subject to half-yearly and annual reports which enable investors to assess their assets and liabilities, income and transactions for the period under review;
- the proportion of assets that the UCITS or the other UCI, which the sub-fund intends to acquire, may invest in total, in accordance with their management rules or their documents of incorporation, in the units of other UCITS or UCI does not exceed 10%.

### **Deposits with credit institutions**

- g) demand deposits with a credit institution or deposits that can be withdrawn and having a maturity date of less than or equal to twelve months, on condition that the credit institution has its statutory registered office in an EU Member State or, if the statutory registered office of the credit institution is located in a third country, it is subject to prudential rules considered by the CSSF to be equivalent to those laid down in Community legislation.

### **Derivative financial instruments**

- h) derivative financial instruments, including similar instruments giving rise to a cash settlement, which are dealt in on a regulated market of the type referred to under points a), b) and c) above, and/or derivative financial instruments traded over-the-counter ("over-the-counter derivative instruments"), on condition that:
- the underlying asset consists of instruments described under points a) to g) above, financial indices, interest rates, foreign exchange rates or currencies, in which the Investment Company can invest in accordance with its investment objectives;
  - counterparties to transactions in over-the-counter derivative instruments shall be institutions subject to prudential supervision and belonging to the categories approved by the CSSF; and
  - the over-the-counter derivative instruments are valued in a way that is reliable and can be checked on a daily basis and can, at the Investment Company's initiative, be sold, liquidated or closed out by a symmetric transaction at any time at their true value.

***The Investment Company may hold cash on an ancillary basis.***

## INVESTMENT RESTRICTIONS

### **Transferable securities and money market instruments**

- I. The Investment Company may not invest its net assets in transferable securities and money market instruments of the same issuer in a proportion in excess of the limits fixed below, it being understood that (i) these limits are to be respected within each sub-fund and that (ii) companies which are grouped together for account consolidation purposes are to be considered as a single entity for the calculation of the limits described under points a) to e) below:
- a) A sub-fund cannot invest more than 10% of its net assets in transferable securities and money market instruments issued by the same entity.
- In addition, the total value of the transferable securities and money market instruments held by the sub-fund in issuers in which it invests more than 5% of its net assets cannot exceed 40% of the value of its net assets. This limit does not apply to deposits with financial institutions subject to prudential supervision and over-the-counter transactions in derivative instruments with those institutions.

- b) Any single sub-fund can invest cumulatively up to 20% of its net assets in transferable securities and money market instruments of the same group.
- c) The 10% limit referred to under point a) above may be increased to a maximum of 35% when the transferable securities and 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 one or more EU Member States are members.
- d) The 10% limit referred to under point a) above may be increased to a maximum of 25% for certain bonds when they are issued by a credit institution having its registered office in an EU Member State and subject, by law, to specific public controls intended to protect bond-holders. In particular, the capital raised from the issue of these bonds must be invested, in accordance with the Law, in assets which adequately cover, throughout the life of the bonds, the resultant obligations and which are allocated in priority to the repayment of the capital and the payment of accrued interest in the event of the issuer's bankruptcy. If a sub-fund invests more than 5% of its net assets in the bonds referred to above and issued by the same issuer, the total value of these investments may not exceed 80% of the value of its net assets.
- e) The transferable securities and money market instruments referred to under points c) and d) above are not taken into consideration for the application of the 40% limit stipulated under point a) above.
- f) **By way of derogation, each sub-fund is authorised to invest, according to the principle of risk-spreading, up to 100% of its net assets in different issues of transferable securities and money market instruments issued or guaranteed by an EU Member State, by its local authorities, by a State which is a member of the OECD or by public international bodies of which one or more EU Member States are members.**
- If a sub-fund avails itself of the last possibility, it must then hold securities belonging to at least 6 different issues and the securities belonging to the same issue may not exceed 30% of the total amount of net assets.
- g) Without prejudice to the limits specified under point 7. below, the 10% limit referred to in point a) above has been increased to a maximum of 20% for investments in stocks and/or bonds issued by the same entity, when the aim of the sub-fund's investment policy is to reproduce the composition of a specific stock or bond index which is recognised by the CSSF, on the following basis:
- - the composition of the index is sufficiently diversified,
  - - the index constitutes a representative sample of the market to which it relates,
  - - it is published in a suitable way.
- The 20% limit is increased to 35% when such is justified by exceptional market conditions, in particular on regulated markets where certain transferable securities or certain money market instruments are particularly dominant. Investment up to this limit is authorised for only one issuer.

### **Deposits with credit institutions**

2. The Investment Company may not invest more than 20% of the net assets of each sub-fund in bank deposits placed with the same entity. Companies which are grouped together for account consolidation purposes are to be considered as a single entity for the purpose of calculating this limit.

### **Derivative financial instruments**

3. a) The counterparty risk in a transaction in over-the-counter derivative instruments may not exceed 10% of the sub-fund's net assets when the counterparty is a credit institution referred to under point g) "Deposits with a credit institution" above, or 5% of its net assets in the other cases.

- b) Investments in derivative financial instruments are authorised provided that, overall, the risks to which the underlying assets are exposed do not exceed the investment limits laid down under points 1. a) to e), 2., 3. a) above and 5. and 6. below. When the Investment Company invests in derivative financial instruments based on an index, such investments are not necessarily combined with the limits set out under points 1. a) to e), 2., 3. a) above and 5. and 6. below.
- c) When a transferable security or a money market instrument includes a derivative financial instrument, the latter must be taken into consideration for the application of the provisions set out under points 3. d) and 6. below, as well as for the assessment of the risks related to transactions in derivative financial instruments, so that the overall risk related to derivative financial instruments does not exceed the total net value of assets.
- d) Each sub-fund shall ensure that the overall risk related to derivative financial instruments does not exceed the total net value of its portfolio.
- Risks are calculated by taking into account the current value of the underlying assets, the counterparty risk, foreseeable market changes and the time available to close out positions.

### **Units of collective investment undertakings**

Subject to other more restrictive specific provisions relative to a given sub-fund and described in section IV "Description of the Investment Company's sub-funds" above if applicable:

4. a) The Investment Company may not invest more than 20% of the net assets of each sub-fund in shares of the same UCITS or any other open-ended type UCI, as defined under point f) above.
- b) Investments in units of UCI other than UCITS may not exceed in total 30% of the Investment Company's net assets.
- c) When the Investment Company invests in the shares of other UCITS and/or UCI which are managed, directly or by delegation, by the same Management Company or by any other company to which it is affiliated within the framework of a common management or control structure or via a significant direct or indirect participating interest, the Management Company or the other company may not invoice subscription or repurchase commissions for the investment by the Investment Company in the shares of other UCITS and/or other UCI. The maximum level of the management commissions which may be invoiced at the same time to the Investment Company and the UCITS and/or other UCI in which the Investment Company intends to invest is that indicated in the specific investment policy of the sub-fund in question.

To the extent that this UCITS or UCI is a legal entity with multiple sub-funds where the assets of a sub-fund are surety exclusively for the rights of investors relating to that sub-fund and those of creditors whose debt claim was created on the occasion of the constitution, operating or liquidation of that sub-fund, each sub-fund is to be considered as a separate issuer for the application of the above risk-spreading rules.

### **Combined limits**

5. Notwithstanding the individual limits stipulated in points 1. a), 2. and 3. a) above, a sub-fund may not combine, when this would result in it investing more than 20% of its assets in the same entity, several elements from among the following:
- investments in transferable securities or money market instruments issued by the said entity,
  - deposits with the said entity and/or
  - risks resulting from over-the-counter transactions in derivative instruments with the said entity,

6. The limits stipulated under points 1. a), 1. c), 1. d), 2., 3. a) and 5. may not be combined and, accordingly, investments in the transferable securities of the same issuer made in accordance with points 1. a), 1. c), 1. d), 2., 3. a) and 5. may not, in any event, exceed in total 35% of the net assets of the sub-fund concerned.

### **Limits on control**

7. a) The Investment Company may not acquire shares with voting rights and enabling it to have a significant influence on the management of an issuer.
- b) The Investment Company shall not acquire more than 10% of non-voting shares of any single issuer.
- c) The Investment Company shall not acquire more than 10% of debt instruments of the same issuer.
- d) The Investment Company shall not acquire more than 10% of the money market instruments of any single issuer.
- e) The Investment Company shall not acquire more than 25% of the units of the same UCITS and/or other UCI within the meaning of article 2 paragraph (2) of the Law of 2010.

It is accepted that the limits stipulated under points 7. c) to e) above may not be respected at the time of acquisition if, at that time, the gross amount of the bonds or money market instruments, or the net amount of the securities issued, cannot be calculated.

The limits stipulated under points 7. a) to e) above do not apply in the case of:

- transferable securities and money market instruments issued or guaranteed by an EU Member State or by its local authorities;
- transferable securities and money market instruments issued or guaranteed by a State which is not an EU member;
- transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
- shares held in the capital of a company of a non-EU Member State, on condition that (i) the company in question invests its assets mainly in the securities of issuing bodies having their registered offices in that State when, (ii) under the legislation of that State such a holding represents the only way in which the Investment Company can invest in the securities of issuing bodies of that State, and (iii) in its investment policy the company from the non-member State complies with the rules on risk diversification, counterparties and control limits laid down in points 1. a), 1. c), 1. d), 2., 3. a), 4. a) and b), 5., 6. and 7. a) to e) above;
- shares held in the capital of affiliated companies carrying out management, consultancy or marketing activities in the country where the subsidiary is established as regards the redemption of units at the request of shareholders exclusively on its own behalf or on their behalf.

### **Borrowings:**

8. Each sub-fund is authorised to borrow up to 10% of its net assets provided that such borrowing is on a temporary basis. Each sub-fund may also acquire foreign currency by means of a 'back-to-back' loan.

Commitments under options contracts, purchases and sales of forward contracts are not considered as borrowing for the purpose of calculating this investment limit.

**Finally, the Investment Company shall ensure that the investments of each sub-fund respect the following rules:**

9. The Investment Company may not grant loans or act as a guarantor on behalf of third parties. This restriction shall not prevent it from acquiring transferable securities, money market instruments or other financial instruments which are not fully paid.
10. The Investment Company may not short transferable securities, money market instruments or other financial instruments referred to under points l. e), f) and h) above.
11. The Investment Company may not acquire immovable property unless such is essential for the direct pursuit of its activity.
12. The Investment Company may not acquire commodities, precious metals or certificates representing them, it being understood that transactions involving foreign currencies, financial instruments, indices or securities as well as forward contracts, options and swap contracts relating to them are not considered as transactions involving goods within the meaning of this restriction.
13. The Investment Company may not use its assets to guarantee securities.
14. The Investment Company may not issue warrants or other instruments entitling the holder to acquire shares in the Investment Company.

**Notwithstanding all the aforementioned provisions:**

15. It is accepted that the limits stipulated previously may not be respected when exercising subscription rights in respect of transferable securities or money market instruments, which are part of the assets of the sub-fund concerned.  
  
While ensuring that the principle of risk spreading is respected, the Investment Company may depart from the previously fixed limits during a period of 6 months from the date of its authorisation.
16. When the maximum percentages above are exceeded for reasons beyond the Investment Company's control or following the exercising of rights attached to the securities in its portfolio, the Investment Company must give priority when making sales to regularising the situation taking into account the interests of shareholders.

## INVESTMENT INSTRUMENTS AND TECHNIQUES

### I. GENERAL PROVISIONS

Subject to the specific provisions set out in the investment policy of each sub-fund (Section IV "Description of the Investment Company's sub-funds"), the Investment Company may use techniques and instruments involving transferable securities and money market instruments, such as lending and borrowing securities, sale with right of repurchase transactions and reverse repurchase transactions/repurchase transactions, in order to ensure that the portfolio is managed efficiently, subject to the conditions and limits laid down in applicable laws, regulation and administrative practices, as described below.

The counterparty risk vis-à-vis the same counterparty in securities lending transactions, sale with right of repurchase transactions and reverse repurchase transactions/repurchase transactions may not exceed 10% of the net assets of each sub-fund when the counterparty is a financial institution as referred to under point g) "Deposits with a credit institution" below, or 5% of these assets in the other cases. The Investment Company may take into account collateral in accordance with the requirements set out under point IV. below to reduce the counterparty risk in securities lending and borrowing transactions, sale with right of repurchase transactions and reverse repurchase transactions/repurchase transactions.

### II. SECURITIES LENDING AND BORROWING

Each sub-fund may lend and borrow securities subject to the following conditions and limits:

- Each sub-fund may lend the securities which it holds, via a standardised lending system organised by a recognised securities clearing body or by a financial institution subject to prudential supervision considered by the Supervisory Authority as equivalent to that laid down in Community legislation and specialised in such transactions.
- The borrower of securities must also be subject to prudential supervision considered as equivalent to that laid down in Community legislation. If the aforementioned financial institution is acting for its own account it is to be considered as the counterparty to the securities lending agreement.
- As sub-funds are subject to share repurchases, each sub-fund concerned must be in a position to obtain at any time the cancellation of the agreement and the return of the securities lent. Otherwise, each sub-fund must maintain the level of securities lending transactions at a level at which it is possible at all times for it to meet its obligation to repurchase shares.
- Each sub-fund must receive prior or simultaneously to the transfer of the securities lent collateral in accordance with the requirements specified in point IV below. At the end of loan agreement, the collateral shall be returned simultaneously or after the securities loaned have been returned.
- Each sub-fund may borrow securities only in the following specific cases linked to the settlement of sales of securities: (i) when the securities are in the process of being registered; (ii) when the securities have been lent and have not been returned in time; and (iii) to avoid a delay in settlement when the custodian bank is not in position to deliver the securities sold.

### III. REVERSE REPURCHASE TRANSACTIONS/REPURCHASE TRANSACTIONS AND SALE WITH OPTION TO REPURCHASE TRANSACTIONS

- Each sub-fund may enter into sale with option to repurchase transactions, which consist of purchases and sales of securities where the seller has the right to repurchase from the purchaser the securities sold at a price and on a date stipulated between the two parties when the agreement is concluded.
- Each sub-fund may enter into reverse repurchase transactions/repurchase transactions which consist of purchases and sales of securities where on the due date the assignor/seller has an obligation to take back the securities lent at a price and on a date stipulated between the two parties when the agreement is concluded.
- Each sub-fund may act as either a purchaser or seller in sale with option to repurchase transactions and reverse repurchase transactions/repurchase transactions.
- Each sub-fund may only deal with counterparties subject to prudential supervision considered by the Supervisory Authority as equivalent to that laid down in Community legislation.
- Only securities in the following form may be used in sale with option to repurchase transactions and reverse repurchase transactions/repurchase transactions:
  - i. Short-term bank certificates of deposit or the money market instruments listed under points a) to e) under the heading “Transferable securities and money market instruments” above, or
  - ii. Bonds issued and/or guaranteed by an OECD Member State or by the territorial public authorities or by Community, regional or world supranational institutions and bodies, or
  - iii. Sufficiently liquid bonds issued by non-governmental issuers, or
  - iv. Shares issued by money market UCIs whose net asset value is calculated on a daily and having a triple A rating or any other form of rating considered as equivalent, or
  - v. Shares listed or traded on a regulated market of a European Union Member State or on a stock market of an OECD Member State and included in an important index.
- Throughout the life of an agreement in respect of a sale with option to repurchase transaction, a reverse repurchase transaction or a repurchase transaction, each sub-fund concerned may not sell or pledge/give as collateral the securities covered by the agreement in question before the

repurchase of the securities by the counterparty has been exercised or the repurchase deadline has expired unless the sub-fund has other means of covering its position.

- As sub-funds are subject to share repurchases, each sub-fund must maintain the level of sale with option to repurchase transaction and reverse repurchase transactions/repurchase transactions at a level at which it is possible at all times for it to meet its obligation to repurchase shares.
- The securities which each sub-fund receives in the framework of a sale with right of repurchase transaction and reverse repurchase transaction/repurchase transaction must be included among the eligible assets in terms of the investment policy defined in section IV “Description of the Investment Company’s sub-funds”. To satisfy the obligations set out in section V “Eligible investments and investment restrictions”, each sub-fund shall take account of positions held directly or indirectly via sale with right of repurchase transactions and reverse repurchase transactions/repurchase transactions.

#### IV. MANAGEMENT OF COLLATERAL

- In the context of securities lending transactions, sale with right of repurchase transactions and reverse repurchase transactions/repurchase transactions, each sub-fund must receive adequate collateral in terms of quantity and having a value at least equal to the total value of the securities lent and the counterparty risk.
- The collateral must be blocked in favour of the Investment Company and in principle take the form of:
  - i. Cash, other acceptable forms of liquid assets and money market instruments listed under points a) to e) under the heading “Transferable securities and money market instruments” above, or
  - ii. Bonds issued and/or guaranteed by an OECD Member State or by the territorial public authorities or by Community, regional or world supranational institutions and bodies, or
  - iii. Bonds issued or guaranteed by prime issuers and sufficiently liquid, or
  - iv. Shares listed or traded on a regulated market of a European Union Member State or on a stock market of an OECD Member State and included in an important index, or
  - v. Shares issued by money market UCIs whose net asset value is calculated on a daily and having a triple A rating or any other form of rating considered as equivalent, or
  - vi. Shares issued by UCITS investing mainly in bonds and/or shares referred to under iii. and iv. above.

## VI. MANAGEMENT AND ADMINISTRATION OF THE INVESTMENT COMPANY

### THE BOARD OF DIRECTORS

The Board of Directors of the Investment Company is invested with the widest possible powers to act in any circumstances, on behalf of the Investment Company, subject to the powers expressly reserved by law for the general meeting of shareholders.

### THE MANAGEMENT COMPANY

The Investment Company has appointed TreeTop Asset Management S.A. as management company to provide it with management, administration and marketing services pursuant to a framework collective portfolio management contract concluded on 1<sup>st</sup> April 2005 for an indeterminate duration.

TreeTop Asset Management S.A. is a public limited company incorporated under the laws of Luxembourg for an unlimited duration in Luxembourg on 21 March 2005. The company is authorised as a Management Company in pursuant to the provisions of Chapter 15 of the Law of 2010, in accordance with Directive

2001/107/EC. It has its registered office at 12, rue Eugène Ruppert, L-2453 Luxembourg. Its authorised capital which is fully paid up is EUR 5,000,000.-.

The Management Company is remunerated by the Investment Company. The nature and level of the Management Company's remuneration are described in the information sheets of the sub-funds.

### THE PAYING, ADMINISTRATIVE AND TRANSFER AGENT

The Management Company has delegated the performance of the tasks relating to the central administration of the Investment Company to Banque Degroof Luxembourg S.A. pursuant to a services contract concluded on 1<sup>st</sup> April 2005 for an unlimited duration.

Under the terms of that agreement, Banque Degroof Luxembourg S.A. acts as Paying Agent, Administrative Agent and Transfer Agent of the Investment Company. As such, it carries out the administrative tasks required by Luxembourg law, such as keeping the company's accounts and records, including the register of shareholders.

It is also responsible for the periodic calculation of the net asset value per share of each class in each sub-fund.

The paying, administrative and transfer agent is remunerated by the Investment Company. The nature and level of its remuneration are described in the information sheets of the sub-funds.

### DISTRIBUTORS AND NOMINEES

The Management Company is responsible, on behalf of the Investment Company for marketing the latter's shares. The Management Company may appoint distributors/nominees to assure the distribution of the Investment Company's shares in the countries where these will be marketed.

Distribution agreements will be concluded between the Management Company and the various distributors/nominees. If applicable, these distributors may be remunerated by the Management Company.

In accordance with those agreements, the nominee will be registered in the register of shareholders instead of the clients who have invested in the Investment Company. The terms and conditions of the distribution agreement stipulate, inter alia, that a client who has invested in the Investment Company via the nominee can, at any time, request that the shares subscribed for via the nominee be transferred into his or her name, in which case the client will be registered under his or her own name in the Investment Company's register of shareholders upon receipt of instructions to that effect from the nominee.

Shareholders may subscribe directly for shares in the Investment Company without being obliged to subscribe via a distributor/nominee.

### THE CUSTODIAN BANK

Banque Degroof Luxembourg S.A. has been appointed as the Custodian Bank for the Investment Company's assets pursuant to an agreement concluded for an indeterminate duration on 1<sup>st</sup> January 2001. This agreement may be terminated subject to three months written notice.

Banque Degroof Luxembourg S.A. is a public limited company incorporated under the laws of Luxembourg. It was set up in Luxembourg on 29 January 1987 for an unlimited duration. It has its registered office at 12 rue Eugène Ruppert, L-2453 Luxembourg and has carried out banking activities since it was incorporated. On 30 September 2010, its regulatory tier I capital amounted to 179,526,133 Euro.

The safe-keeping of the Investment Company's assets is entrusted to the Custodian Bank which shall fulfil the obligations and duties stipulated in the Law of 2010 and regulatory provisions in force.

In accordance with banking practice, the Custodian Bank may, under its responsibility and control, entrust to other banks or clearing systems, such as ClearStream, all or part of the assets deposited with it for safekeeping.

The level of the Custodian Bank's commission is set out in the information sheets of the sub-funds.

## VII. THE SHARES

### CHARACTERISTICS OF THE SHARES

The Investment Company's capital is equal to the sum of the net assets of the various sub-funds.

Each sub-fund may have several classes of shares whose characteristics are described in the information sheets of the sub-funds.

Distribution shares entitle their owners to receive dividends charged against the portion of the sub-fund's net assets attributable to the distribution shares of the sub-fund in question.

The capitalisation Shares do not give right to receive dividends. Following the distribution of dividends – annual or interim – to the distribution shares, the portion of the net assets of the sub-fund to be allocated to all the distribution shares shall be reduced by an amount equal to the amounts of the dividends distributed, thereby leading to a reduction in the percentage of the net assets of the sub-fund attributable to the distribution shares as a whole, while the portion of the net assets of the sub-fund attributable to the capitalisation shares as a whole shall remain the same, thereby resulting in an increase in the percentage of the net assets of the sub-fund attributable to the capitalisation shares as a whole.

For each sub-fund and each class, shares shall be issued in bearer or registered form, at the shareholder's choosing. Shares may also be issued in dematerialised form. Dematerialised shares shall be represented by a securities account entry in the name of their holder or owner, with an authorised account holder or a provider of settlement services, which shall apply failing specific instructions. Registered shares can be converted into bearer shares and vice versa, at the request and expense of the shareholder.

The register of the shareholders is kept in Luxembourg by Banque Degroof Luxembourg S.A..

For shareholders who have asked to be registered in the register of shareholders by Banque Degroof Luxembourg S.A., the Bank will issue a confirmation of registration in the register of shareholders.

The shares must be fully paid and issued without any nominal value. Fractions of both registered and dematerialised shares may be issued up to three decimal points. Fractions of Shares do not carry voting right to general meetings. On the other hand, fractions of shares carry a dividend entitlement.

There is no limit on the number of shares issued.

The rights attached to shares are those laid down in the Luxembourg law of 10 August 1915 concerning trading companies, as amended, provided that no derogations have been granted by the Law of 2010. All the shares of the Investment Company, irrespective of their value, have equal voting rights. The shares of each class have an equal right to the proceeds of the liquidation of the class concerned.

The general meeting of shareholders of the sub-fund concerned shall decide the payment of dividends on distribution shares.

Any amendment of the articles of association resulting in a change in the rights of a given sub-fund or class must be approved by a decision of the general meeting of shareholders of the Investment Company and of that of the shareholders of the sub-fund or class concerned.

## VIII. ISSUE AND SUBSCRIPTION PRICE OF THE SHARES

### PROCEDURE FOR ISSUING SHARES

Subscription applications received by the Investment Company before 1.15 PM (Luxembourg time) on the working day preceding a Valuation Day shall be processed, if they are accepted, on the basis of the net asset value determined on that Valuation Day. Subscription applications received after that time shall be processed on the next Valuation Day. The net subscription price for each share is payable three business days after the Valuation Day.

The Investment Company may also accept subscriptions by way of the exchange of an existing portfolio on condition that the securities and assets of the said portfolio are compatible with the applicable investment policy and restrictions of the sub-fund concerned. For all securities and assets accepted in settlement of a subscription, a report will be drawn up by the Statutory Auditor of the Investment Company in accordance with the provisions of article 26-1 of the Luxembourg law of 10 August 1915 on trading companies as amended. The cost of this report shall be borne by the investor concerned.

The Investment Company may refuse all or part of a subscription application for whatever reason, irrespective of whether it concerns an initial or additional subscription.

The Investment Company reserves the right to repurchase at any time shares owned by persons who are not authorised to buy or own shares of the Investment Company.

The manager is not authorised to accept payments in settlement of subscriptions.

### COMBATING MONEY LAUNDERING AND TERRORIST FINANCING

The Investment Company shall implement national and international measures intended to combat money laundering and terrorist financing which require subscribers to prove their identity to the Investment Company. That is why, for subscriptions to be considered as valid and acceptable by the Investment Company, the subscriber must attach to the subscription application form,

- in the case of a *natural person*, a copy of one of his or her identity documents (passport or ID card), or,
- in the case of a legal entity, a copy of its corporate documents (such as its coordinated articles of association, published balance sheets, extract from the trade register, list of authorised signatures, list of shareholders owning directly or indirectly 25% or more of the capital or voting rights, list of directors, etc.) and of the identity documents (passport or ID card) of its beneficial owners and individuals authorised to give instructions to the Transfer Agent.

These documents must be duly certified by a public authority (for example a notary public, a consul, an ambassador) of the country of residence.

This obligation is absolute, except if:

- the subscription form is transmitted to the Investment Company by one of its distributors located in a member country of the European Union, the European Economic Area or in a third country imposing equivalent obligations within the meaning of the amended law of 12 November 2004 on combating money laundering and terrorist financing, or by a subsidiary or branch of its distributors located in another country, if the parent company of the said subsidiary or branch is located in one of these countries and if either the laws of the said country or the internal regulations of the parent company guarantee the application of rules on the prevention of money laundering and terrorist financing vis-à-vis the said subsidiary or branch; or
- the subscription form is sent directly to the Investment Company and the amount of the subscription is paid either by:
  - o a bank transfer originated by a financial institution established in one of those countries, or,
  - o a cheque drawn on the subscriber's personal account with a bank established in one of these countries or a bank cheque issued by a bank established in one of these countries.

However, in both cases, the Board of Directors must obtain from its distributors or directly from the investor a copy of the identification documents as described above, whenever requested.

Before accepting a subscription, the Investment Company may carry out additional investigations in accordance with national and international measures in force regarding combating money laundering and the financing of terrorism.

### REDEMPTION OF SHARES

All shareholders are entitled, at any time, to request the Investment Company to repurchase their shares. The shares repurchased by the Investment Company shall be cancelled.

Repurchase applications must be submitted in writing, by telex or fax to the registered office of the Investment Company. The application must be irrevocable (subject to the provisions of section IX) and must indicate the number of shares to be repurchased and the sub-fund and class concerned and all necessary references to settle the repurchase.

The request must be accompanied, for bearer shares, by the certificates to be repurchased with non-matured coupons attached (if such certificates have been issued) and, for registered and dematerialised shares, the name

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in which they are registered together with documents, if applicable, certifying the transfer and certificates if they have been issued.

All the shares submitted for repurchase, in the case of a request notified to the Investment Company in Luxembourg before 1.15PM (Luxembourg time) on the working day preceding a Valuation Day will be repurchased at the net asset value per share of the sub-fund and class concerned as determined on the Valuation Day in question, without any exit fee. Repurchase applications received after that time shall be processed on the next Valuation Day.

The share repurchase price shall be paid 3 working days after the Valuation Day, subject to all the documents attesting to the repurchase having been received by the Investment Company.

Payment shall be made in the currency of the sub-fund repurchased or in another currency in accordance with the instructions given in the repurchase application, in which case the conversion costs shall be borne by the shareholder.

The manager is not authorised to make payments in settlement of repurchases.

The repurchase price of the shares of the Investment Company may be higher or lower than the purchase price paid by the shareholder when subscribing for the shares, depending on whether the net value has appreciated or depreciated.

In the case of important repurchase and/or conversion applications representing more than 10% of the net assets of a given sub-fund, the Investment Company reserves the right to repurchase the shares only at a repurchase price as determined once it has been able to sell the necessary assets as soon as possible in the interests of the shareholders of the sub-fund as a whole, and it has received the proceeds of such sales. In such cases, a single price shall be calculated for all the repurchase, subscription and conversion applications presented at the same time for the sub-fund in question.

### CONVERSION OF SHARES

Any shareholder may request the conversion of all or part of his or her shares into shares of another class or of another sub-fund (and within such other sub-fund, either into shares of the same class or another class), at a price equal to the respective net asset value of the different sub-funds and classes.

Conversion applications must be submitted in writing, by telex or fax to the registered office of the Investment Company, stating the number and form of the shares to be converted and specifying, in addition, whether the shares of the new sub-fund or class are to be registered, bearer or dematerialised shares. The conversion application must be accompanied, as applicable, by the bearer certificate plus all the unexpired coupons or a duly completed transfer form, or any other document attesting to the transfer. To be taken into consideration, conversion applications must be transmitted to the Investment Company no later than 1.15PM (Luxembourg time) on the working day preceding a Valuation Day. Conversion applications received after that time shall be processed on the next Valuation Day.

The number of shares allotted in the new sub-fund or class shall be established using the following formula:

$$A = (B \times C \times D) / E \pm X_p$$

**A:** represents the number of shares to be allotted in the new sub-fund or class,

**B:** represents the number of shares to be converted in the initial sub-fund or class,

**C:** represents the net asset value, on the applicable Valuation Day, of the shares to be converted in the initial sub-fund or class,

**D:** is the exchange coefficient on the applicable Valuation Day between the currencies of the two sub-funds or classes concerned. If the two sub-funds or classes are kept in the same currency, the coefficient is equal to 1,

**E:** represents the net asset value, on the applicable Valuation Day, of the shares to be allotted in the new sub-fund or class,

**X<sub>p</sub>:** will be the balance which cannot be applied which will be reimbursed to the holder of bearer shares.

Fractions of shares that may result from conversion operations will be allocated up to three decimal points for registered and dematerialised shares. Holders of bearer shares will be deemed to have requested the reimbursement of the balance that cannot be applied.

After conversion, the Investment Company shall inform the shareholders of the number of new shares obtained as a result of the conversion, as well as their price.

In the case of important repurchase and/or conversion applications representing more than 10% of the net assets of a given sub-fund, the Investment Company reserves the right to repurchase the shares only at a repurchase price as determined once it has been able to sell the necessary assets as soon as possible in the interests of the shareholders of the sub-fund as a whole, and it has received the proceeds of such sales. In such cases, a single price shall be calculated for all the repurchase, subscription and conversion applications presented at the same time for the sub-fund in question.

### COMBATING LATE TRADING AND MARKET TIMING

The central administration of the Investment Company shall put in place adequate procedures in order to ensure that subscription, repurchase and conversion applications are received before the deadline for accepting orders in relation to the applicable Valuation Day. Subscription, repurchase and conversion instructions are executed at an unknown net asset value.

The Investment Company shall not authorise the practices associated with Market Timing, which is an arbitrage technique by which an investor subscribes for and repurchases or converts systematically shares of the Investment Company over a short period of time by taking advantage of time differences and/or imperfections or shortcomings in the system for determining the net asset value of the Investment Company to the detriment of the Investment Company's other shareholders.

## IX. NET ASSET VALUE

### DEFINITION AND CALCULATION OF THE NET ASSET VALUE

In each sub-fund, the net asset value per share is determined for each class every bank business day (a Valuation Day) by dividing the net assets of each sub-fund attributable to each class by the total number of its shares in circulation in each class on the Valuation Day. If a Valuation Day falls on a public holiday (legal or bank holiday) in Luxembourg, the Valuation Day shall be the next working day.

The valuation of the net assets of the various sub-funds of the Investment Company shall be calculated as follows:

I. The assets of the Investment Company shall include notably:

- all cash at hand or bank deposits, including interest accrued but not yet received and interest accrued on bank deposits up to the Valuation Day;
- all drafts and bills of exchange payable at sight and receivables (including the proceeds of the sale of securities in respect of which settlement has not yet been received);
- all securities, units, shares, bonds, option or subscription rights and other investments and transferable securities which are owned by the Investment Company;
- all dividends and allotments to be received by the Investment Company in cash or in securities to the extent that the Investment Company was aware of such;
- all accrued interest not yet received and all interest generated up to the Valuation Day by the securities owned by the Investment Company, unless such interest is included in the principal of the securities;
- the preliminary expenditure of the Investment Company, to the extent that they have not been depreciated;
- all other assets irrespective of their nature, including prepaid expenses.

The value of these assets shall be determined as follows:

- a) The value of cash at hand and bank deposits, drafts and bills of exchange payable at sight and receivables, prepaid expenses and dividends and interest notified or due for payment but not yet

- b) received, shall be constituted by the nominal value of the said assets, unless it is unlikely that it would be possible to realise that value; in the latter case, the value shall be determined by subtracting the amount that the Investment Company considers adequate in order to arrive at the real value of the assets in question.
- c) The value of any security admitted to official listing on a stock exchange or any other regulated market which operates regularly and is recognised and open to the public is based on the last known price in Luxembourg on the Valuation Day and, if that security is dealt on several markets, on the basis of the last known price on the principal market on which the security is dealt in; if the last known price is not representative, the valuation shall be based on the probable sale value that the Board of Directors shall determine in good faith in accordance with the principle of prudence.
- d) Securities that are not listed or are not dealt in on a stock exchange or any other regulated market which operates regularly and is recognised and open to the public shall be valued on the basis of the probable sale value estimated in good faith in accordance with the principle of prudence.
- e) Money market instruments and other fixed-rate securities whose remaining term is less than 3 months may be valued on the basis of their redemption value. If, however, there is a market price for such instruments or such securities, the valuation in accordance with the method described previously shall be compared periodically with the market price and in the event of any notable discrepancy, the Board of Directors may adapt the valuation accordingly.
- f) The shares or units in UCITS and UCI shall be valued on the basis of their last available net asset value;
- g) Securities denominated in a currency other than the currency in which the class concerned is denominated shall be converted at the exchange rates prevailing on the days and at the time when the net asset value of the shares is determined.

The Board of Directors may, at its sole discretion, authorise the use of another valuation method if it considers that such a valuation reflects more accurately the market value of any asset owned by a sub-fund.

### 2. The commitments of the Investment Company shall include notably:

- all borrowings, bills of exchange due for payment and accounts due;
- all known obligations, whether or not they have become payable, including all contractual obligations that have matured which concern payments in cash or in kind (including the amount of dividends announced by the Investment Company but not yet paid);
- all reserves, authorised or approved by the Board of Directors, in particular those which had been created to cover a potential capital loss on certain investments of the Investment Company;
- any other commitment of the Investment Company, of any nature whatsoever, except for those represented by the Investment Company's own resources. In order to assess the amount of these other commitments, the Investment Company shall take into account all expenses to be borne by it, as described in section XII.

For the valuation of the amount of these commitments, the Investment Company shall take into account on a pro rata temporis basis administrative and other regular or periodic expenses.

Vis-à-vis third parties, the Investment Company shall be a single legal entity. However, the assets of a given sub-fund shall constitute surety only for the debts, commitments, costs and expenses which concern that sub-fund. The assets, commitments, charges and expenses which are not attributable to a sub-fund shall be charged in equal proportions to the various sub-funds or, if the amounts in question justify such, proportionally to their respective net assets.

In relations between shareholders, each sub-fund shall be treated as a separate entity, having its own contributions, capital gains and capital losses, costs, etc.

3. Each share of the Investment Company which is in the process of being repurchased shall be considered as an issued and existing share until the close of the Valuation Day applying to the repurchase of the share in question and its price shall, with effect from the close of business on that day and up to the payment of the price, be considered as a commitment of the Investment Company.

Each share to be issued by the Investment Company in accordance with subscription applications received shall be treated as being issued with effect from the close of business on the Valuation Day of its issue price and its price shall be treated as an amount due to the Investment Company until it has been received by it.

4. As far as possible, any investment or disposal decided by the Investment Company shall be taken into consideration.

5. At the end of every month, the Investment Company shall determine for each sub-fund and for each class of shares a reference asset value on the basis of the closing prices on the last trading day of the month. This reference asset value calculated on the first business day after the end of a month shall be used solely for publication and performance calculation needs; no repurchase subscriptions and/or share conversions shall be accepted on the basis of this reference asset value.

### SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE AND THE ISSUE, REPURCHASE AND CONVERSION OF SHARES

The Board of Directors is authorised to suspend temporarily the calculation of the value of the net assets of one or more sub-funds of the Investment Company, as well as the issue, repurchase or conversion of shares in the following cases:

- a) throughout any period during which a market or stock exchange which is the principal market or stock exchange on which a substantial portion of the investments of the Investment Company at a given time is listed, is closed, except for normal closing days, or during which trading is subject to important restrictions or is suspended;
- b) when the political, economic, military, monetary, social situation or any event of force majeure, beyond the responsibility or control of the Investment Company, make it impossible for it to dispose of its assets by reasonable and normal means, without seriously harming the interests of shareholders;
- c) during any break in communications normally used to determine the price of any investment whatsoever of the Investment Company or of current prices on any market or stock exchange whatsoever;
- d) when foreign exchange restrictions or restrictions on the circulation of capital prevent the execution of transactions on behalf of the Investment Company or when transactions involving the purchase or sale of the Investment Company's assets cannot be effected at normal exchange rates;
- e) as soon as a meeting has been convened with a view to proposing the winding-up of the Investment Company.

Subscribers and shareholders offering shares for repurchase or conversion shall be advised of the suspension of the calculation of the net asset value.

Subscription and repurchase or conversion applications in abeyance may be withdrawn by giving written notice provided that such notice is received by the Investment Company before the end of the suspension.

Subscriptions and repurchases or conversions in abeyance shall be taken into consideration on the first Valuation Day following the end of the suspension.

## X. APPROPRIATION OF RESULTS

The general meeting of shareholders of the sub-fund concerned shall determine the appropriation of results on a proposal of the Board of Directors.

The Investment Company's current income appropriation policy is to capitalise income for capitalisation shares and to distribute the net income for distribution shares. Each of the sub-funds thus intends to distribute, on a proposal of the Board of Directors and a decision of the general meeting of shareholders, a dividend on distribution shares; this will be calculated in accordance with the relevant legal limits and those specified in the articles of association.

For the distribution of dividends, all dividend payment notices shall be published in the Wort.

Registered shareholders and holders of dematerialised shares shall be paid by cheque sent to their address as indicated in the register of shareholders or by bank transfer in accordance with their instructions.

Owners of bearer shares shall be paid against presentation of the relative coupon to the Paying Agent designated for that purpose by the Board of Directors.

All shareholders shall have the possibility to reinvest their dividend, free of cost, in the share units available.

Dividends which are not claimed within five years after the date when they become payable shall be forfeited for the beneficiaries and shall revert to the Investment Company.

The Board of Directors may, at its discretion, pay interim dividends.

## XI. TAX STATUS

### TAXATION OF THE INVESTMENT COMPANY

The Investment Company is subject in Luxembourg to an annual tax representing 0.05% of the net asset value. This tax is payable quarterly on the basis of the Investment Company's net assets, calculated at the end of the quarter to which the tax relates. The value of the assets represented by units owned in other UCI which are already subject to the subscription tax laid down in article 174 of the Law of 2010 or in article 68 of the amended law of 13 February 2007 on specialised investment funds is exempt from the subscription tax.

No duties or taxes are payable in Luxembourg when the Investment Company's shares are issued. A tax of EUR 1,250 payable at the time of incorporation.

Certain income of the Investment Company's portfolio in the form of dividends and interest payments may be subject to variable rate withholding tax in the country where they are generated.

### TAXATION OF SHAREHOLDERS

Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments (hereinafter the "Directive")

The Directive stipulates that with effect from 1<sup>st</sup> July 2005, paying agents (within the meaning of the Directive) established in a Member State of the European Union (or in certain dependent or associated territories of Member States) which make interest payments to natural persons (or to residual entities within the meaning of the Directive) residing in another Member State, must, depending on the country in which they are established, communicate information relating to the payment and the beneficiary to the tax authorities or deduct withholding tax. If such a payment is subject to withholding tax, the beneficiary can avoid such withholding tax by submitting a certificate of exemption or an authorisation to exchange information, depending on the options proposed by the paying agent and the country of establishment.

In accordance with the provisions of the Directive, dividend payments made by a sub-fund of the Investment Company shall fall within the scope of the Directive if more than 15% of the sub-fund's net assets are invested in debt claims as defined in the Directive. Payments made by a sub-fund of the Investment Company in the event of the repurchase of shares in a sub-fund (or any transaction treated as a repurchase) shall fall within the scope of the Directive if more than 25% of the sub-fund's net assets are invested in such debt claims.

When payment is subject to withholding tax, the said withholding tax shall apply in principle, provided that the paying agent is in possession of such information, to the part of the payment corresponding to interest income within the meaning of the Directive. The withholding tax shall be 20% up to 30 June 2011 and 35% up to the end of the transition period (as defined in the Directive) insofar as the paying agent has information on the interest component in the distribution or repurchase.

The Directive was transposed into the laws of Luxembourg by the law of 21 June 2005.

The above provisions are based on current law and practices and are subject to change.

The Investment Company recommends to potential shareholders that they should obtain information and, if necessary, advice regarding the laws and regulations applying to the subscription, purchase, holding, redemption and sale of shares in their country of origin, residence or domicile.

### **XII. EXPENSES CHARGED TO THE SICAV**

#### **FORMATION EXPENSES**

The expenses relating to the creation and launch of the Investment Company have been borne by the Investment Company and shall be amortised over the first five financial years. The expenses specifically related to the creation of a new sub-fund shall be fully written off as soon as they are incurred against the assets of the sub-fund in question.

#### **COMMISSIONS OF SERVICE PROVIDERS**

Commissions for services provided to the Investment Company, such as those of the management company, the custodian bank, the central administration and if applicable the manager and distributors are described in the information sheets of the sub-funds set out in Section IV of this Prospectus.

#### **OTHER COSTS TO BE BORNE BY THE INVESTMENT COMPANY**

The Investment Company shall bear all its other operating costs including, without any limit, preliminary expenses and the costs involved in any subsequent amendments to its articles of association and other instruments of incorporation, the commissions and costs payable to paying agents and other representatives and employees of the Investment Company, as well as to the permanent representatives of the Investment Company in the countries where it is subject to registration, the legal assistance expenses and auditor's fees of the Investment Company, promotion costs, costs in connection with the printing and publication of share sale documents, the cost of printing annual and interim reports, the cost of organising general meetings of shareholders and Board meetings, the reasonable travel expenses of directors and managers, director's fees, the cost of registration documents, all taxes and duties due to governmental authorities and stock exchanges, the cost of publishing issue and repurchase prices as well as all other operating costs, including finance costs, bank or brokerage charges incurred in connection with the purchase or sale of assets or otherwise and all other administrative costs.

The costs and charges which are not attributable to a specific sub-fund shall be charged to the various sub-funds pro rata to their respective net assets.

### **XIII. FINANCIAL YEAR - MEETINGS**

#### **FINANCIAL YEAR**

The financial year shall begin on 1<sup>st</sup> January and end on 31 December each year.

#### **MEETINGS**

The annual general meeting of shareholders is held every year at the registered office of the Investment Company, or any other place in Luxembourg as specified in the notice convening the meeting.

The annual general meeting shall be held on the third Tuesday of April at 4PM, or if that is a public holiday, the next working day.

Notices of all general meetings shall be sent by registered letter to all registered shareholders to the address shown in the register of shareholders, at least 8 days before the general meeting.

Notices shall be published in the "Memorial" (the Luxembourg Official Journal), Recueil des Sociétés et Associations du Grand-Duché de Luxembourg, and in the Wort and in any other newspaper that the Board of Directors may consider appropriate.

Such notices will indicate the time and place of the general meeting and the conditions of admission, the agenda and the requirements of Luxembourg law as regards the necessary quorum and majority. Subject to complying with the conditions stipulated in laws and regulations in force in Luxembourg, notices convening general meetings of shareholders may specify that the applicable quorum and majority shall be determined by reference to the shares issued and in circulation on a certain date and time preceding the general meeting (the "Registration Date"), it being understood that the right of a shareholder to participate in the general meeting of shareholders and the voting rights attached to the shareholder's share(s) shall be determined according to the number of shares held by the shareholder on the Registration Date.

### XIV. LIQUIDATION AND MERGER

#### WINDING-UP AND LIQUIDATION OF THE INVESTMENT COMPANY

The Investment Company may be wound-up at any time by a resolution of the general meeting of shareholders, adopted on the same basis as for an amendment to the articles of association.

Moreover, in accordance with current Luxembourg law, if the capital of Investment Company falls to less than two thirds of the minimum capital, i.e. currently EUR 1,250,000.-, the Board of Directors must submit the question of the winding-up of the Investment Company to the general meeting deliberating without any attendance conditions and deciding by a simple majority of the shares present or represented at the meeting. If the capital falls to less than a quarter of the minimum capital, the Board of Directors must submit the question of the winding-up of the Investment Company to the general meeting, deliberating without any attendance conditions; the winding-up may be decided by shareholders owning a quarter of the shares present or represented at the meeting. The convening of the meeting must be done in such a way that the meeting will be held within forty days of the date on which it was ascertained that the net assets have fallen below two thirds or one quarter of the minimum capital. The decision concerning winding-up the Investment Company must be published in the Memorial and in two newspapers with a sufficiently wide circulation, one of which at least must be a Luxembourg newspaper. This information shall be published at the request of the liquidator(s).

If it is decided to wind-up the Investment Company, the liquidation shall be accomplished by one or more liquidators, who may be natural or legal persons, appointed by the general meeting, which shall determine their powers and remuneration.

The net proceeds of the liquidation of each sub-fund shall be distributed by the liquidators to shareholders in proportion to their portion of the net assets of the sub-fund in which the shares are held, in accordance with the provisions of the articles of association.

In the event that the Investment Company goes into voluntary liquidation or is put into liquidation by order of the courts, this liquidation shall be accomplished in accordance with the Law of 2010 which sets out the measures to be taken in order to enable the shareholders to participate in the distribution of the proceeds of the liquidation, and which stipulates moreover that, once the liquidation has been completed, any sums unclaimed by a shareholder shall be deposited with the Caisse de Consignation. Amounts not claimed from escrow within the prescription period will be forfeited.

#### LIQUIDATION AND MERGER OF SUB-FUNDS OR CLASSES

The Board of Directors may decide to liquidate a sub-fund or a class if the net assets of the said sub-fund or of the class fall below an amount under which the sub-fund can no longer be managed adequately or if a change in the economic or political situation has an influence on the sub-fund or of the class in question, justifying such a liquidation. The Board of Directors may take a decision to that effect if the net assets of a sub-fund fall below EUR 250,000.- or the equivalent in the currency of the sub-fund concerned.

Such a liquidation decision shall be notified to the shareholders of the sub-fund or of the class before the effective date of liquidation. The notice shall indicate the reasons for the liquidation and the liquidation procedure. A notice will be published in the press to inform shareholders of the decision and the arrangements for closing the sub-fund or the class. This notice shall be published in one or more Luxembourg newspapers and in one or more national newspapers in the countries where the shares are distributed.

Unless the Board of Directors decides otherwise in the interest of shareholders or to ensure an equitable treatment between them, the shareholders of the class concerned may continue to request the repurchase or conversion of their shares, at no cost, on the basis of the applicable net asset value, taking into account an estimation of the liquidation costs. The Investment Company shall reimburse each shareholder proportionally to the number of shares that he or she owns in the sub-fund or in the class. The liquidation proceeds which cannot be distributed to their beneficiaries when the liquidation of the sub-fund or class concerned is completed shall be deposited with the Caisse de Consignation in favour of their beneficiaries in accordance with the regulations in force.

In the same circumstances as those described above, the Board of Directors may decide to close a sub-fund or a class by merging it with another sub-fund or class of the Investment Company. Such a merger may still be decided by the Board of Directors if required in the interests of the shareholders of the sub-funds or the classes concerned. This decision shall be published in the same way as that described above. The publication shall contain information relating to the new sub-fund or class. The relevant notice shall be published at least thirty days before the merger becomes effective in order to enable shareholders to request the redemption or

conversion of their shares, without any charges, before the operation becomes effective. At the end of that period, the remaining shareholders shall be bound by the decision.

In the same circumstances as those described above the Board of Directors is empowered to decide to close a sub-fund or a class by transfer to another collective investment undertaking incorporated under the laws of Luxembourg. The Board of Directors may in addition decide such a transfer if it is necessary in the interests of the shareholders of the sub-fund or of the class in question. This decision shall be published in the same way as that described above. The notice published shall contain information relating to that undertaking for collective investment. It shall be published at least thirty days before the date when the transfer becomes effective in order to enable shareholders to request the redemption or conversion of their shares, without any charges, before the transfer to that undertaking for collective investment becomes effective. At the end of that period, the remaining shareholders shall be bound by the decision.

If the shares are transferred to a collective investment undertaking established in the form of a unit trust incorporated under the laws of Luxembourg, the transfer shall only be binding on the shareholders of the sub-fund or of the class concerned if the transfer is accepted expressly by a unanimous decision of all the shareholders of the sub-fund or class concerned. If that condition is not satisfied, only the shareholders having voted in favour of the transfer shall be bound by the decision; the remaining shareholders shall be deemed to have requested the repurchase of their shares.

## XV. INFORMATION OF SHAREHOLDERS

### PUBLICATION OF THE NET ASSET VALUE

The net asset value of each class in each sub-fund, the issue and repurchase prices shall be made public on every Valuation Day at the registered office of the Investment Company, as well as at the registered office of the Management Company.

### FINANCIAL NOTICES

Financial notices shall be published in a newspaper of the country where the Investment Company is marketed as soon as such publication is required by the applicable laws and regulations of that country.

In the case of the Grand-Duchy of Luxembourg financial notices shall be published in the Wort.

### PERIODIC REPORTS

The Investment Company shall publish annually a detailed report on its activity and the management of its assets, including the consolidated balance sheet and profit and loss account expressed in Euros, the detailed composition of the assets of each sub-fund and the Statutory Auditor's report.

In addition, it shall publish, after the end of each financial year, a report containing in particular the composition of the portfolio, changes in the composition of the portfolio over the period, the number of shares in circulation and the number of shares issued and repurchased since the last publication.

The Board of Directors of the Investment Company may decide to publish interim reports.

### DOCUMENTS AVAILABLE TO THE PUBLIC

The articles of association and annual and interim financial reports of the Investment Company, as well as the contracts and agreements referred to under (a) to (b) may be consulted free of charge by the public at the registered office of the Investment Company:

- a) The portfolio collective management framework agreement between the Investment Company and the Management Company.
- b) The agreement concluded between the Investment Company and the Custodian Bank.

Investors are invited to consult the site [www.treetopam.com](http://www.treetopam.com) for any information regarding TreeTop Convertible SICAV and the sub-funds managed.