

# LAFFITTE FUNDS

SICAV « Société d'Investissement à Capital Variable »

PROSPECTUS  
February 2021

## LAFFITTE FUNDS

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### LAFFITTE FUNDS

SICAV « Société d'Investissement à Capital Variable »  
R.C.S. Luxembourg N° B 214298

|   |   |
|---|---|
| Registered Office                               | 5, Allée Scheffer,<br>L-2520 Luxembourg   |
| Board of directors                              |   |
| President                                       | Eric ROBBE<br>Managing Director, LAFFITTE CAPITAL<br>MANAGEMENT   |
| Board Members                                   | Arnaud YVINEC<br>LAFFITTE CAPITAL MANAGEMENT, Board Member<br><br>David LENFANT<br>LAFFITTE CAPITAL MANAGEMENT, Board Member<br><br>Gabriel TEODORESCU<br>LAFFITTE CAPITAL MANAGEMENT, Board Member<br><br>Jean-Bernard QUILLON<br>Independant Board Member |
| Management Company                              | LAFFITTE CAPITAL MANAGEMENT<br>29, rue Saint Augustin<br>75002 Paris – France   |
| Executive officers of the Management<br>Company | Arnaud YVINEC<br>Chairman<br><br>David LENFANT<br>Managing Director<br><br>Eric ROBBE<br>Managing Director<br><br>Gabriel TEODORESCU<br>Managing Director   |
| Depositary                                      | CACEIS BANK LUXEMBOURG BRANCH<br>5, Allée Scheffer,<br>L-2520 Luxembourg  |

## LAFFITTE FUNDS

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Domiciliary Agent, Administrative Agent,  
Transfer Agent and Registrar

CACEIS BANK LUXEMBOURG BRANCH  
5, Allée Scheffer,  
L-2520 Luxembourg

Global Distributor

LAFFITTE CAPITAL MANAGEMENT  
29, rue Saint Augustin  
75002 Paris - France

Auditor

DELOITTE AUDIT S.a.r.l  
560, Rue de Neudorf  
L-2220 Luxembourg

## NOTICE

LAFFITTE FUNDS (hereinafter the "SICAV") is registered in the official list of Undertakings for Collective Investment ("UCIs") in accordance with the Law of 17 December 2010 on UCIs and subsequent amendments (hereinafter the "Law of 2010"). This registration shall under no circumstances be understood as a positive assessment on the part of the Commission de Surveillance du Secteur Financier ("CSSF") of the quality of the securities offered for sale.

The Board of Directors of the SICAV (hereinafter the "Board of Directors") has taken all necessary steps to ensure that the facts stated in the Prospectus are accurate and clear and that no point of any importance has been omitted which could render any of the statements set forth herein incorrect.

The Board of Directors assumes responsibility for the accuracy of the information contained in the Prospectus on the date it is published. Consequently, any information or assertion not contained in the Prospectus, in the appendices to the Prospectus where applicable, or in the reports forming an integral part thereof, must be considered as unauthorised.

This Prospectus may be updated. Therefore, potential subscribers are advised to check with the SICAV whether a more recent version of the Prospectus has been published.

The SICAV has been approved as an undertaking for collective investment in transferable securities ("UCITS") in Luxembourg. The Prospectus may not be used for a public offering or solicitation in any other country or under any circumstances in which such offer or solicitation is not authorised. Any potential subscriber of shares receiving a copy of the Prospectus or a subscription form in a territory other than those described above may not regard these documents as an invitation to buy or subscribe to shares, except if such invitation is lawfully made in said territory without registration or other conditions, or if the person in question complies with the applicable laws and regulations in the territory concerned, obtains all required government or other authorisations, and carries out any applicable formalities. Before any subscription, it is necessary to check the country/countries in which the SICAV is registered and in particular the sub-funds, categories or share classes that are authorised for sale as well as any legal constraints and currency restrictions relevant to the subscription, purchase, possession or sale of shares in the SICAV.

### Specific information for U.S. Persons

The shares have not been and will not be registered under the United States Securities Act of 1933 (hereafter "Act of 1933"), or any similar or analogous regulatory scheme enacted by any other jurisdiction in the United States, in addition, the shares may not and shall not be offered for sale, sold, transferred or delivered in the United States of America (including its territories or possessions), or to or for the benefit of, directly or indirectly, any U.S. Person (as defined in Regulation S in the U.S. Securities Act of 1933), except if (i) a registration of shares were made, or (ii) an exemption was applicable (with the approval of the meeting of Directors).

The SICAV have not been and will not be registered under the United States Securities Act of 1940. Any resales or transfers of the SICAV shares in the United States or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the meeting of Directors. Applicants for shares will be required to certify in writing that they are not U.S. Persons

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The Board of Directors has the power to impose restrictions (i) on the holding shares by a "U.S. Person" and forcibly redeem the shares, or (ii) to the transfer shares to a "U.S. Person". Such power covers any person (a) who appears directly or indirectly in violation of the laws and regulations of any country or governmental authority, or (b) who, in the opinion of the Board, may damage the SICAV which it would not otherwise have endured or suffered.

The Shares have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or any other regulatory agency in the United States, nor has the SEC or any other regulatory agency in the United States passed upon the accuracy or adequacy of this Prospectus or the merits of the shares. Any representation to the contrary is a criminal offence.

The definition of U.S. Persons mentioned above shall furthermore be broadened to include the criteria defined by the Foreign Account Tax Compliance Act (FATCA) upon its entry into force.

Investors are required to notify the SICAV and/or the Registrar i) if they become unauthorised persons, or ii) if they hold shares in the SICAV in breach of legal/regulatory provisions, the Prospectus or the Articles of Association of the SICAV, or iii) any circumstances that could have adverse tax or legal/regulatory implications for the SICAV or the shareholders, or that could otherwise be detrimental to the interests of the SICAV or the other shareholders.

The SICAV wishes to inform investors that any investor may only fully exercise his investor rights directly in respect of the SICAV, notably the rights to participate in general shareholder meetings, if the investor himself is registered in his own name in the SICAV's register of shareholders. In cases where an investor invests in the SICAV through an intermediary investing in the SICAV in its own name but on behalf of the investor, the investor will not necessarily be able to exercise certain shareholder rights directly in respect of the SICAV. Investors are advised to enquire about their rights.

Investing in the SICAV involves risks, including those relating to equity and bond markets, rates of exchange between currencies and the volatility of interest rates. Thus no assurance can be given that the SICAV will achieve its objectives. The value of the capital and income resulting from the SICAV's investments is subject to fluctuation and investors therefore may not get back the full amount of their initial investment. Furthermore, past performance is not an indication of future results.

Before investing in the SICAV and in the event of any doubts about the risks linked to investing in the SICAV or about the suitability of a sub-fund for the investor's risk profile bearing in mind their personal circumstances, investors are invited to seek the advice of their own financial, legal or tax advisor in order to determine whether an investment in the SICAV is suitable for them and to request their assistance so as to be fully aware of any legal or tax consequences or the results of any currency restrictions or controls with regard to the subscription, possession, redemption, conversion or transfer of shares pursuant to the laws in force in the country of residence, domicile or establishment of said persons.

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### ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

A notification was submitted (for all the sub-funds of SICAV LAFFITTE FUNDS) for public distribution in the Federal Republic of Germany and all shares in those sub-funds may be publicly offered to investors within the scope of the German investment law.

As a result, the following subfund is available in Germany for investors:

Laffitte Funds – Laffitte Risk Arbitrage UCITS

It should be noted that for the following Sub-funds Laffitte ESG Dividend no notification has been filed and that the shares of these Sub-funds may not be distributed to investors within the scope of applicability of the Investment Code.

Zeidler Legal Services Rechtsanwaltsgesellschaft mbH, Bettinastrasse 48, 60325 Frankfurt, has undertaken the function of Information Agent for the Company in the Federal Republic of Germany (the "German Information Agent"). The Company has not appointed a paying agent in Germany as no printed individual certificates are issued.

Applications for the redemption and conversion of shares may be sent to the German Information Agent.

The Prospectus, the Key Investor Information Documents, the Articles of Incorporation of the Company and the latest annual and semi-annual reports may be obtained, free of charge, in hardcopy form at the office of the German Information Agent during normal opening hours.

Issue, redemption and conversion prices of shares and the notices to the shareholders are also available, free of charge, from the German Information Agent directly or via the custodian bank of the German Investor.

All payments to investors, including redemption proceeds and potential distributions may, upon request, be facilitated through CACEIS Bank Luxembourg Branch, 5, Allée Scheffer, L-2520 Luxembourg. Subscription and redemption monies may be paid from / to the German account at the custodian bank of the German Investor or any other account the Investor indicates as suitable.

The following documents are furthermore available for free of charge to the shareholders for inspection at the office at the German Information Agent:

- the material contracts

The issue, redemption and conversion prices of shares will be published on the following website [www.laffittecapi.com](http://www.laffittecapi.com).

Any notices to the shareholders will be communicated by mail.

In addition, investors in the Federal Republic of Germany will be informed by an additional publication in the Federal Gazette ([www.bundesanzeiger.de](http://www.bundesanzeiger.de)) in the following cases:

- suspension of the redemption of the units,
- termination of the management of the fund or its liquidation,
- any amendments to the Articles of Incorporation which are inconstant with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursement of

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- expenses that may be paid or made out of the asset pool,
- merger of the fund with one or more other funds, and
  - the change of the fund into a feeder fund or the modification of a master fund.

Any reference in the Prospectus to:

- "Euro" or "EUR" refers to the currency of the European Union member states which have adopted the single currency.
- "Business day" refers to any day of the week when the banks in Luxembourg are open for the entire day.

Copies of the Prospectus are available from the registered office of the SICAV in accordance with the conditions set out above.

### ADDITIONAL INFORMATION FOR INVESTORS IN AUSTRIA

Pursuant to section 140 of the Austrian Investment Fund Act 2011 (Investmentfondsgesetz 2011) (the "InvFG"), Laffitte Funds (the "Fund") has notified the Austrian Financial Market Authority of its intention to offer shares of the Fund for sale to the public in Austria and has been granted the authorization to do so.

As a consequence, the following Sub-fund is available to investors in Austria:

Laffitte Funds - Laffitte Risk Arbitrage Ucits

### AUSTRIAN PAYING AND INFORMATION AGENT

The Paying and Information Agent in Austria (the "Austrian Paying and Information Agent") is

Erste Bank  
Der oesterreichischen Sparkassen AG,  
Am Belvedere 1, 1100 Wien, Österreich

Applications for the redemption and repurchase of fund units may be sent to the Austrian Paying and Information Agent.

All payments to investors, including redemption proceeds, potential distributions and other payments, may be paid upon request through the Austrian Paying and Information Agent.

The issue, sale, redemption or repurchase prices can be obtained free of charge and in hardcopy from the registered office of the management company and the Austrian Paying and Information Agent.

The issue and redemption prices are published on [www.laffittecapiatal.com](http://www.laffittecapiatal.com) and are available at the office of the Austrian Paying and Information Agent.

All other notices of the Company will be published on the website of the management company [www.laffittecapiatal.com](http://www.laffittecapiatal.com).

The prospectus, the key investor information documents, the articles of incorporation, the annual and semi-annual reports, and any investor notices, may be obtained, free of charge and in hardcopy, from the registered office of the management company and at the office of the Austrian Paying and Information Agent during normal business hours.

### Processing of personal information

In accordance with the Luxembourg law of 1 August 2018 n ° 2016/679 of 27 April 2016, the Protection of Data Protection. "GDPR", or "Data Protection Act", the Company and the Management Company, as legal persons, will treat, as common controllers, personal data provided by investors and / or potential investors.

Some personal information concerning investors (including but not limited to the name, address and total invested by each investor) may be gathered, recorded, stored, amended, transferred or processed and used by the SICAV, Administrative Agent, Depositary, Transfer Agent and Registrar as well as any other person who provides services to the SICAV and the financial intermediaries of these investors.

In particular, such information may be used within the context of accounting and managing the payments of distributors, for the identification obligations required by the legislation on combating money laundering and the financing of terrorism, maintaining the register of shareholders, the processing of subscription, redemption and conversion orders and for the payment of dividends to shareholders and targeted services provided to clients. Such information will not be passed on to unauthorised third parties.

The SICAV may delegate the processing of personal information to another entity (hereinafter the "Delegate") (such as the Administrative Agent or Registrar). The SICAV undertakes not to transmit personal data to third parties other than the Delegate unless required to do so by law or on the basis of a prior agreement with the investors.

Investors and / or potential investors are invited to consult our general policy on data protection, available at the registered office of the company and the management company, and at the following address:  
[www.laffittecapital.com/admin/file-manager/uploads/regulatoryDocs/protection\\_donnees\\_personnelles\\_fr.pdf](http://www.laffittecapital.com/admin/file-manager/uploads/regulatoryDocs/protection_donnees_personnelles_fr.pdf)

All investors have the right to access their personal information and request a correction should this information be incomplete or incorrect.

By subscribing to the SICAV's shares, all investors agree to such processing of their personal information.

Shares in the SICAV shall be subscribed based solely on the information contained in the Prospectus and in the Key Investor Information Document (the "KIID"). The KIID is a pre-contractual document containing key information for investors. It includes the requisite information about the key characteristics of each of the SICAV's shares.

Should you plan to subscribe to shares, you should first carefully read the KIID with the Prospectus and its appendices, if applicable, which include specific information about the investment policy of the SICAV and consult the latest annual and semi-annual reports published by the SICAV; copies of these documents are available on the [www.laffittecapital.com](http://www.laffittecapital.com) website, from local agents or from entities distributing the shares of the SICAV, if applicable, and may be obtained free of charge on request from the registered office of the SICAV.



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## I. GENERAL DESCRIPTION

LAFFITTE FUNDS is a Variable Capital Investment Company (the "SICAV") organised under Luxembourg law, with multiple sub-funds and established in accordance with Luxembourg law on 19 April 2017 for an indefinite term in the form of a limited liability company [Société Anonyme].

In particular, the SICAV is subject to the provisions of Part I of the Law of 2010, as well as the Law of 10 August 1915 relating to commercial companies, as amended.

The SICAV shall have a minimum share capital of EUR 1,250,000 (one million two hundred and fifty thousand euros); this amount must be reached within six months of the SICAV's authorisation date. The capital of the SICAV shall at all times be equal to the combined net asset value of the sub-funds of the SICAV and is represented by fully paid-up no-par shares.

The variations of the share capital are made automatically and without the measures for publication and registration with the Registry of Commerce and Companies of Luxembourg as provided for share capital increases and decreases for limited liability companies.

The articles of association of the SICAV (hereinafter the "Articles of Association") were published in the Mémorial C, Recueil des Sociétés et Associations (hereinafter the "Mémorial") on 17 April 2015 and file with the Luxembourg Trade and Companies Register. They may be consulted electronically via the Luxembourg Trade and Companies Register website: ([www.rcls.lu](http://www.rcls.lu)). A copy of the Articles of Association may be requested free of charge from the registered office of the SICAV and may be viewed on the following website: [www.fundsquare.com](http://www.fundsquare.com).

The SICAV has been registered in the Luxembourg Trade and Companies Register under number B214298.

The SICAV may consist of different sub-funds, each representing a specific pool of assets and liabilities and corresponding to a distinct investment policy and reference currency specific to them. Within each sub-fund, the shares may belong to distinct share classes and to distinct categories within these.

The SICAV has therefore been set up as a UCI with multiple sub-funds enabling investors to choose the sub-fund whose investment policy best matches their objectives and risk appetite.

Two sub-funds are available to investors as at the date of the Prospectus:

- LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS
- LAFFITTE FUNDS – LAFFITTE ESG DIVIDEND

The Board of Directors may decide to create new sub-funds. This Prospectus will therefore be adjusted accordingly and include detailed information on these new sub-funds including the investment policy and sales procedures.

Within each sub-fund, the Board of Directors may decide at any time to issue different shares ("share classes" or "classes") whose assets will be invested jointly in compliance with the specific investment policy for the sub-fund concerned but will be the subject of a specific fee structure and will exhibit other distinctive characteristics that are specific to each class.

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Shares in the LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS sub-fund are available in nine shares that will differ depending on the type of investor, and/or the minimum investment amount, and/or the accounting currency, and/or the applicable management and distribution fees and/or the hedging policy, if applicable (see chapter IV "The shares" and chapter VIII "Fees and expenses"):

- "EUR-I" and "EUR-I DIS" class denominated in EUR and intended for institutional investors;
- "EUR-L DIS" class denominated in EUR and intended for institutional investors with "large" investment capacities
- "USD-I HDG" class denominated in USD and intended for institutional investors;
- "USD-L HDG" class denominated in USD and intended for institutional investors with "large" investment capacities;
- "GBP-I HDG" denominated in GBP and intended for institutional investors;
- "GBP-L HDG" class denominated in GBP and intended for institutional investors with "large" investment capacities;
- "CHF-I HDG" class denominated in CHF and intended for institutional investors;
- "CHF-L HDG" class denominated in CHF and intended for institutional investors with "large" investment capacities;
- "EUR-S" class denominated in EUR and reserved for employees of the management company (permanent employees, 3-month seniority and the managers), for their relatives to the first degree of kinship, for the portfolio managed by the company and FCPE for employees of the management company;
- "EUR-A" and "EUR-A DIS" class denominated in EUR and intended for all types of investors;

The assets of these twelve share classes are invested jointly in accordance with the investment policy of the LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS sub-fund.

A full definition of these share classes is given in chapter IV "The shares", section 2. "Characteristics of the shares", point a) "Classes and categories of shares".

Shares in the LAFFITTE FUNDS – LAFFITTE ESG DIVIDEND sub-fund are available in five share classes that will differ depending on the type of investor, and/or the minimum investment amount, and/or the accounting currency, and/or the applicable management and distribution fees and/or the hedging policy, if applicable (see chapter IV "The shares" and chapter VIII "Fees and expenses"):

- "EUR-I" and "EUR-I DIS" class denominated in EUR and intended for institutional investors;
- "EUR-S" class denominated in EUR and reserved for employees of the management company (permanent employees, 3-month seniority and the managers), for their relatives to the first degree of kinship, for the portfolio managed by the company and FCPE for employees of the management company;
- "EUR-R" and "EUR-R DIS" class denominated in EUR and intended for all types of investors;
- "EUR-E" class denominated in EUR and intended for all investors. This class can be subscribed from 17 February 2020 for a period of one year.

The assets of these six share classes are invested jointly in accordance with the investment policy of the LAFFITTE FUNDS – LAFFITTE ESG DIVIDEND sub-fund.

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Within each sub-fund and/or class of shares, the Board of Directors may also decide at any time to issue two categories of shares ("categories of shares" or "categories"), which will differ depending on their distribution policy:

- the "distribution share" category, which is made up of distribution shares conferring dividend rights;
- the "accumulation share" category, which is made up of accumulation shares that do not confer dividend rights.

The total share capital of the SICAV shall at all times be equal to the net asset value of all sub-funds combined. The share capital of the SICAV will be expressed in EUR.

Each shareholder may request the redemption of his shares by the SICAV in accordance with the conditions and procedures described in chapter IV "The shares", section 4, below "Redemption of shares".

The SICAV constitutes a single legal entity in relation to third parties. The assets of a specific sub-fund shall only be liable for the debts, liabilities and commitments of that sub-fund. Each sub-fund is treated as a separate entity in relations between shareholders.

## **II. MANAGEMENT AND ADMINISTRATION**

### **1. BOARD OF DIRECTORS**

The Board of Directors is granted the broadest powers to act in all circumstances in the name of the SICAV, subject to the powers expressly conferred by the laws of Luxembourg at the General Meeting of shareholders.

The Board of Directors is responsible for the administration and management of the assets of each sub-fund of the SICAV. It may carry out all management and administrative activities on behalf of the SICAV, notably the purchase, sale, subscription or exchange of all transferable securities, and exercise all rights attached directly or indirectly to the assets of the SICAV.

### **2. MANAGEMENT COMPANY**

The Board of Directors has appointed, under its own responsibility and control, LAFFITTE CAPITAL MANAGEMENT as the management company of the SICAV (hereinafter the "Management Company").

On 19 April 2017, the Company therefore entered into an agreement with LAFFITTE CAPITAL MANAGEMENT for an indefinite term.

Subject to continuous supervision by the Board of Directors of the Company, the Management Company provides the following services: management of the Company's portfolios, administration of the Company and marketing of the SICAV's shares.

The Management Company is responsible for the SICAV's day-to-day operations.

The Management Company has been authorised to delegate its functions to third parties, under its own responsibility. It has delegated the roles of central administrative agent, transfer agent and registrar, as described in greater detail below.

The Management Company must at all times act in the interests of the shareholders of the SICAV and in accordance with the provisions of the Law of 2010, this Prospectus and the Articles of Association of the SICAV.

LAFFITTE CAPITAL MANAGEMENT is a "société par action simplifiée" (simplified joint-stock company) established under French law for a term of 99 years and approved by the Autorité des Marchés Financiers on 3 October 2007. Its registered office is located at 29, rue Saint Augustin – 75002 Paris - France. It's fully subscribed and paid-up share capital is EUR 662,200. Its primary activity is portfolio management.

The details of the remuneration policy are available on the company's website as prescribed by the Directive 2014/91/EU.

The Management Company's remuneration policy is compatible with sober and efficient risk management and does not encourage risk-taking that would be incompatible with the risk profiles, regulations or articles of association of the UCITS managed by the Management Company.

The remuneration policy complies with the economic strategy, objectives, values and interests of the Management Company and the UCITS it manages, as well as those of parties investing in such UCITS, and includes measures aimed at preventing conflicts of interest. The remuneration policy was implemented to:

- actively support the Management Company's strategy and objectives;
- support the competitiveness of the Management Company on the market in which it operates;
- ensure that motivated and qualified employees are recruited, developed and retained.

Where remuneration varies according to performance, the total amount is calculated by combining an evaluation of the performance of the individual and the operational unit or UCITS in question, and an evaluation of their risk versus that of the overall results of the management company at the time of the individual performance evaluations, factoring in both financial and non-financial criteria.

Performance evaluations have a multi-year horizon tailored to the holding period recommended to investors in the UCI managed by the Management Company, in order to guarantee that they accurately reflect the UCI's long-term performance and investment risks, and that the actual payment of the performance-linked remuneration elements is spread across the same period.

Management Company employees are offered an attractive salary package based on the market, which in particular includes the payment of a fixed salary. Moreover, an appropriate balance is reached between the fixed and variable aspects of overall remuneration, whereby the fixed component constitutes a sufficiently high proportion of the overall remuneration for a fully flexible policy to be implemented in terms of variable remuneration elements; in particular, it is possible that no variable element will be paid.

Remuneration policy principles are revised on a regular basis and amended in accordance with regulatory changes. The remuneration policy was approved by the Management Company's Directors.

The details of the remuneration policy are available on the following website: <http://www.laffittecapital.com/>  
A hard copy of the remuneration policy may be requested free of charge.

### **3. DEPOSITARY AND PAYING AGENT**

CACEIS Bank, Luxembourg Branch serves as the Luxembourg branch of CACEIS Bank, a French public limited company (société anonyme) whose registered office is located at 1-3, place Valhubert, 75013 Paris, France, entered in the Paris trade and companies register under number 692 024 722. It is an authorised credit institution, under the supervision of the European Central Bank (ECB) and the French prudential control and resolution authority (ACPR). This institution is also authorised to perform banking activities and central administration activities in Luxembourg through its Luxembourg branch.

CACEIS Bank, Luxembourg Branch, serving as a branch of CACEIS Bank, acts as the depository bank of the SICAV (the "Depository Bank") in accordance with a depository bank agreement dated 19 April 2017, as amended from time to time (the "Depository Bank Agreement") and the relevant provisions of the Law of 2010 and the UCITS Rules (this term refers to the collection of rules, as constituted by Directive 2009/65/EC, the Law of 2010, delegated regulation (EU) 2016/438 of 17 December 2015, CSSF circular 16/644, and any other law, circular, or rule arising therefrom).

Shareholders may view the Depository Agreement upon request at the registered office of the SICAV in order to gain a full understanding of the Depository's limited obligations and responsibilities.

The Depository has been entrusted with the holding and/or keeping of registers and ownership verification in respect of the sub-funds' assets, where applicable, and it will comply with the obligations and responsibilities



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stipulated in the Law (Partie I de la Loi de 2010) and UCITS Rules. In particular, the Depositary shall perform effective and appropriate checks of the SICAV's cash flows.

In accordance with the UCITS Rules, the Depositary:

- (i) will ensure that the sale, issuance, redemption, repayment and cancellation of SICAV units is carried out in accordance with the applicable national laws and with the UCITS Rules or Articles of Association;
- (ii) will ensure that unit values are calculated in accordance with the UCITS Rules, the Company's Articles of Association and the procedures established in the UCITS Directive;
- (iii) will execute the SICAV's instructions, provided that they do not contravene the UCITS Rules or the SICAV's Articles of Association;
- (iv) will ensure that, in the case of transactions affecting the SICAV's assets, payments are made to the SICAV within the normal timeframes;
- (v) will ensure that the Company's income is allocated in accordance with the UCITS Rules and the SICAV's Articles of Association.

The Depositary cannot delegate any of the obligations and responsibilities stated in points (i) to (v) above.

In accordance with the provisions of the UCITS Directive 2009/65/CE, the Depositary may, under certain circumstances, entrust the safekeeping of all or some of the assets in its custody and/or the keeping of registers to periodically selected third-party correspondents or depositaries. Such delegation will not affect the Depositary's responsibility unless there are provisions to the contrary; exceptions are only possible within the limits permitted by the Law 2010.

A list of third-party correspondents/depositaries is available on the Depositary's website ([www.caceis.com](http://www.caceis.com), in the "Regulatory Watch" section). This list may be updated from time to time. The full list of all third-party correspondents/depositaries may be requested free of charge from the Depositary. Upon request and on the Depositary's website (address above), investors may also be given access to up-to-date information on the Depositary, a description of its duties and any conflicts of interest that may arise, information on the Depositary's delegation of custody activities and any conflicts of interest that may arise as a result of such a delegation. Numerous situations may give rise to conflicts of interest. These include, in particular, when the Depositary delegates its asset holding role to a third party or when the Depositary provides other services to the Company, e.g. by acting as its central administrative agent and registrar. These situations and the associated potential conflicts of interest have been identified by the Depositary. To protect the interests of the Company and those of its investors, and to ensure compliance with the applicable regulations, the Depositary has implemented and shall continue to enforce a management policy for conflicts of interest, as well as procedures designed to prevent and manage any potential or actual conflict of interest intended to, in particular:

- (a) identify and analyse possible situations giving rise to conflicts of interest,
- (b) record, manage and monitor situations giving rise to conflicts of interest, either:
  - through permanent measures for managing conflicts of interest, such as maintaining separate entities, separating responsibilities, separating hierarchical structures, lists of insiders for members of staff; or

- through management on a case-by-case basis aimed at (i) taking appropriate preventative measures such as drawing up a surveillance list or establishing new "Chinese walls" to ensure that transactions are carried out under market conditions and/or to inform the Shareholders of the relevant UCITS, or (ii) refusing to engage in activities giving rise to conflicts of interest.

The Depositary has established a functional, hierarchical and/or contractual divide in respect of fulfilling its role as the SICAV's depositary and performing other tasks on behalf of the SICAV, in particular providing services as an administrative agent and registrar.

The SICAV and the Depositary may terminate the Depositary Agreement at any time, in writing, with a notice period of ninety (90) days. However, the Company can only remove the Depositary from its role if a new depositary is selected within two months to take over the roles and responsibilities inherent to depositaries. Once dismissed, the Depositary Bank must continue to fulfil its functions and responsibilities until all the assets of the Sub-fund have been transferred to the new depositary bank.

The Depositary has no decision-making power or advisory obligation with regard to the SICAV's investments. The Depositary is a service provider for the SICAV and is in no way responsible for preparing this Prospectus. Consequently, it accepts no responsibility whatsoever with regard to the accuracy of the information herein or the validity of the SICAV's structure and investments.

#### **4. CENTRAL ADMINISTRATIVE AGENT AND DOMICILARY AGENT**

The Management Company has delegated the performance of the tasks relating to central administration of the SICAV to CACEIS BANK Luxembourg Branch in accordance with the terms of a central administrative agent agreement concluded between the Management Company, CACEIS Bank Luxembourg and the SICAV on 19 April 2017 for an indefinite term.

CACEIS Bank, Luxembourg Branch serves as the Luxembourg branch of CACEIS Bank, a French public limited company (société anonyme) whose registered office is located at 1-3, place Valhubert, 75013 Paris, France, entered in the Paris trade and companies register under number 692 024 722. It is an authorised credit institution, under the supervision of the European Central Bank (ECB) and the French prudential control and resolution authority (ACPR). This institution is also authorised to perform banking activities and central administration activities in Luxembourg through its Luxembourg branch.

Under the terms of this agreement, CACEIS Bank Luxembourg will perform the functions of the Domiciliary Agent, Administrative Agent, Transfer Agent and Registrar for the SICAV. In this context, it will assume the administrative functions required by Luxembourg law, such as maintaining the accounting and corporate books, including maintaining the register of shareholders. It will also be responsible for periodically calculating the net asset value per share in each sub-fund and in each class/category, as the case may be.

The Company may terminate the functions of CACEIS Bank Luxembourg as the central administration by giving written notice three months in advance. The central administration may terminate its own functions under the same conditions.

The SICAV and CACEIS Bank, Luxembourg Branch entered into a domiciliation agreement for an indefinite term dated 19 April 2017, as amended from time to time.

By this agreement, CACEIS Bank, Luxembourg Branch provides the registered office and address to the SICAV as well as domiciliation services.

The Company may terminate the functions of CACEIS Bank Luxembourg as the domiciliary agent by giving written notice three months in advance. CACEIS Bank Luxembourg as the domiciliary agent may terminate its own functions under the same conditions.

### **5. MONITORING THE SICAV'S TRANSACTIONS**

The auditing of the SICAV's accounts and annual reports is carried out by DELOITTE AUDIT S.à r.l. in its capacity as auditor of the SICAV.

### **6. CONFLICTS OF INTEREST**

The Management Company may carry out transactions in which it has a direct or indirect interest and that could enter into conflict with their obligations to the SICAV. The Management Company will ensure that these transactions are carried out under conditions as favourable for the SICAV as those that would have prevailed in the absence of the possible conflict of interest and that the relevant procedures and policies are respected. These conflicts of interest or commitments may arise because the Management Company has directly or indirectly invested in the SICAV. More precisely, under the rules of conduct applicable to it, the Management Company must endeavour to avoid all conflicts of interest and, if such a conflict cannot be avoided, ensure that its customers (including the SICAV) are treated in the same way.

In particular, but without limitation to its obligations to act in the best interest of shareholders when undertaking transactions or investments where conflicts of interest may arise, each initiative will respectively strive to ensure that these conflicts are resolved fairly.

### III. INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

#### 1. GENERAL PROVISIONS

##### a) Objectives of the SICAV

The primary objective of the SICAV is to seek growth in the assets of each sub-fund over the medium term.

The objective of the SICAV is to provide shareholders with active professional management of diversified portfolios of eligible financial assets. The portfolio of each sub-fund is managed in compliance with its investment policy as defined in section 5. "Investment objectives and policies, risk profile and investor profile of the different sub-funds".

##### b) Investment policy of the SICAV

The SICAV proposes to achieve this objective mainly through active management of portfolios of eligible financial assets. In accordance with the conditions and limits set out in sections 3 and 5 below, and in conformity with the investment policy of each sub-fund defined hereinafter, the eligible financial assets may in particular consist of transferable securities, money market instruments, shares/units in UCITS and/or UCIs in compliance with 41.1.e of the Loi de 2010, bank deposits and/or derivative instruments, but not to the exclusion of other types of eligible financial assets.

Each sub-fund may invest in derivative instruments both in order to realise the investment objectives as well as for hedging and efficient management of the portfolio.

Each sub-fund of the SICAV will have a different investment policy in terms of type and proportion of eligible financial assets and/or in terms of geographical, industry and sector diversification.

The SICAV may, in accordance with the conditions specified by the Law of 2010, the applicable Luxembourg regulations as well as the Prospectus, create a sub-fund classed as a feeder or master fund within the meaning of the Law of 2010, convert one or more existing sub-funds into a feeder or master fund or replace the master fund of one of its feeder funds.

The SICAV may, in accordance with the conditions specified by the Law of 2010, the applicable Luxembourg regulations as well as the Prospectus, make provision for a sub-fund to subscribe, acquire and/or hold shares that have been or will be issued by one or more sub-funds of the SICAV up to the limit of 10% in accordance with point 8 of Article 181 of the Law of 2010.

##### c) General information on sustainability

Regulation (EU) 2019/2088 of 27 November 2019, relating to the publication of information on sustainability in the financial services sector (known as "SFDR"), establishes harmonized and transparency rules with regard to the 'integration of sustainability risks and consideration of negative sustainability implications.

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In accordance with these Regulations, LAFFITTE FUNDS is required to present the way in which the risks of sustainable development are integrated into the investment decision and the results of the assessment of the probable impacts of the risks of sustainable development on the returns of the sub-funds.

Unless otherwise indicated in the investment policy, the LAFFITTE FUNDS-LAFFITTE RISK ARBITRAGE UCITS sub-fund is considered to fall within the scope of Article 6 of the SFDR Regulation and the LAFFITTE FUNDS\_LAFFITTE ESG DIVIDEND sub-fund is considered to fall within the scope of application of article 8 of the SFDR Regulation.

Indeed, LAFFITTE FUNDS promotes environmental or social characteristics and is exposed to the risk of sustainability.

As of the date of this Prospectus, the fund management company, LAFFITTE CAPITAL MANAGEMENT, continues to examine and consider its obligations with regard to taking into account the main negative impacts of investment decisions on the Sustainability Factors (Art. 4 of the SFDR Regulation).

In addition, the fund Management Company is awaiting further consultation and / or guidance on level 2 regulatory technical standards (known as "RTS"), which should come into force in 2022.

Decisions and disclosures relating to Articles 4 and 7 will be taken taking into account the deadlines of the RTS and, likewise, any disclosure will be included in a future version of the prospectus and published on the website of the management company, if applicable.

### d) Risk profile of the SICAV

The risks specific to each sub-fund and their management objective are described in greater detail in the investment policy for each sub-fund.

The assets of each sub-fund are subject to financial market fluctuations and exposed to the risks inherent in any financial investment.

No guarantee can be given that the objective of the SICAV will be achieved and that investors will get back the amount they originally invested.

The conditions and limits set out in sections 2 to 5 below nevertheless aim to ensure diversification of the portfolios in order to control and limit risks but without excluding them.

Investments by the SICAV in shares/units of UCIs expose the SICAV to risks associated with the financial instruments that these UCIs hold in their portfolios. However, some risks are specific to the holding by the SICAV of shares/units in UCIs. Some UCIs may generate leverage either through the use of derivative instruments or by borrowing. Leverage increases the price volatility of these UCIs and therefore the risk of capital loss. Investments in shares/units of UCIs may then present a greater liquidity risk than a direct investment in a portfolio of transferable securities. However, investment in shares/units of UCIs gives the SICAV flexible, effective access to different professional management styles and a broader range of investments.

A sub-fund that invests mainly through a UCI will ensure that its UCI portfolio has suitable liquidity characteristics to allow it to meet its own redemption obligations. The method of selecting target UCIs will take into account the frequency of redemption in these UCIs and the portfolio of such sub-funds will mainly

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comprise open-ended UCIs with an identical frequency to that of the sub-fund concerned.

It should be pointed out that the activity of a UCI or a sub-fund that invests in other UCIs may lead to a duplication of some fees. The fees that may be charged to a sub-fund of the SICAV may, as a result of the investment in UCIs, be doubled.

The risks associated with investments in equities and other assets similar to shares include price fluctuations, some of which may be considerable, extended falls in the latter depending on general economic and political circumstances or the individual situation of each issuer, including the loss of the capital invested in the financial assets in the event of default by the issuer (market risk).

It should be noted that some warrants as well as options, while likely to generate a more substantial return than equities due to their leverage effect, are characterized by noticeably higher volatility in terms of their price in relation to the price of the underlying asset or financial index. These instruments can also lose their entire value.

Investments in convertible bonds are sensitive to fluctuations in the price of underlying shares (the "equity component" of convertible bonds) but offer a degree of protection for some of the capital (the "bond floor" of the convertible bond). The bigger the equity component, the lower the capital protection is. Consequently, a convertible bond whose market value has increased considerably following a rise in the underlying share price will have a risk profile closer to that of equities. However, a convertible bond whose market value has fallen to the level of its bond floor following a drop in the underlying share price will, beyond this level, have a risk profile close to that of a traditional bond.

Like other types of bonds, convertible bonds are subject to the risk that the issuer may not be able to meet its obligation to pay interest and/or repay the principal on maturity (credit risk). If the market believes that this risk is more likely to materialise for a given issuer, there may be a significant fall in the market value of the bond and therefore in the protection offered by the bond component of the convertible bond. Bonds are also 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 other than the reference currency of the sub-fund/share class concerned involve exchange-rate risk: at constant prices, the market value of an investment denominated in a currency other than that of a given sub-fund/share class, expressed in the currency of the sub-fund/share class concerned, may fall following an adverse change in the rate of exchange between the two currencies.

Investments in emerging markets and in small companies may have lower liquidity and greater volatility than investments in traditional markets and blue-chip companies.

At times of political instability, during monetary crises (in particular credit crises), and during economic crises, financial markets are generally characterised by a substantial fall in market values, increased price volatility and a deterioration in liquidity conditions. Generally speaking, this increased volatility and deterioration in liquidity conditions will particularly affect emerging markets, financial assets issued by small companies and low-volume bond issues. During these exceptional events, the SICAV may be forced to sell assets at a price that does not reflect the intrinsic value (liquidity risk) and investors may risk incurring substantial losses.

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Investors wishing to find out about the historical performance of the active sub-funds are advised to consult the KIID. Investors are reminded that this information in no way constitutes an indicator of the future performance of the different sub-funds of the SICAV.

The objectives and investment policies determined by the Board of Directors as well as the risk profile and typical investor profile are described, for each of the sub-funds, in section 5. "Investment objectives and policies, risk profile and investor profile for the different sub-funds."

### **2. ELIGIBLE FINANCIAL ASSETS**

The investments of the different sub-funds of the SICAV shall exclusively consist of:

Transferable securities and money market instruments

- a) transferable securities and money market instruments listed or traded on a regulated market recognised by its Member State of origin and included on the list of regulated markets published in the Official Journal of the European Union ("EU") or on its official website (hereinafter "Regulated Market");
- b) transferable securities and money market instruments traded on another market of a Member State of the EU that is regulated, operates regularly, is recognised and is open to the public;
- c) transferable securities and money market instruments listed on an official stock exchange of a State that is not a member of the EU or traded on another market of a State that is not a member of the EU that is regulated, operates regularly, is recognised and is open to the public;
- d) recently issued transferable securities and money market instruments provided that (i) the issue conditions include an undertaking that an application will be made for official listing on a stock exchange or on another regulated market that operates regularly, is recognised and is open to the public and that (ii) such admission is secured within one year of the issue at the latest;
- e) money market instruments other than those traded on a regulated market, on condition that the issue or issuer of such instruments are themselves subject to regulations intended to protect investors and their savings, and that such instruments are:
  - issued or guaranteed by a central, regional or local government administration, a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-Member State or, in the case of a federal state, by a member of the federation, or by an international public body to which one or more EU Member States belong; or
  - issued by a company whose securities are traded on the regulated markets referred to in points a), b) and c) above, or
  - issued or guaranteed by an institution subject to prudential supervision in accordance with the criteria laid down in EU law, or by an institution subject to and complying with prudential regulations deemed by the CSSF to be at least as strict as those provided for in EU law, or

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- issued by other entities belonging to categories approved by the CSSF provided that investments in such instruments are subject to rules for protecting investors which are equivalent to those stipulated under the first, second and third bullet points above, and that the issuer is either a company with capital and reserves amounting to at least ten million euros (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with directive 78/660/EEC, or an entity which, within a group of companies including one or more listed companies, is devoted to financing the group, or an entity devoted to financing securitisation vehicles backed by bank financing.

Any sub-fund of the SICAV may also invest a maximum of 10% of its net assets in transferable securities and money market instruments other than those specified in points a) to e) above.

### Units of undertakings for collective investment

- f) units of UCITS authorised in accordance with directive 2009/65/EC of the European Parliament and Council of 13 July 2009 on the coordination of legal, regulatory and administrative provisions concerning certain UCITS ("directive 2009/65/EC"), and/or other undertakings for collective investment ("UCIs") within the meaning of Article 1, paragraph (2), points a) and b), of directive 2009/65/EC whether located in a Member State of the EU or otherwise, provided that:
  - these other UCIs are approved in accordance with legislation stipulating that these undertakings be subject to supervision that the CSSF deems equivalent to that laid down by Community legislation and that cooperation between the authorities is sufficiently ensured;
  - the level of protection guaranteed to the unitholders of these other UCIs is equivalent to that provided to unitholders of a UCITS and, in particular, that the rules relating to the division of assets, borrowing, lending and short selling of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the activities of these other UCIs are reported in semi-annual and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - the proportion of the assets of these UCITS or other UCIs in which units are to be acquired which, in accordance with their articles, may be invested in aggregate in units of other UCITS or UCIs, does not exceed 10%;

### Deposits with credit institutions

- g) deposits with credit institutions repayable on request or that may be withdrawn whose maturities are less than or equal to twelve months, provided that the credit institution has its registered office in a Member State of the EU or, if the registered office of the credit institution is situated in a non-Member State, is subject to prudential regulations deemed by the CSSF as equivalent to those laid down by Community legislation.

### Derivative instruments

- h) derivative instruments, including comparable instruments giving rise to a cash settlement, which are traded on a regulated market of the type referred to under a), b) and c) above, and/or OTC derivative instruments ("OTC derivative instruments"), on condition that:



- the underlying consists of instruments described in points a) to g) above, of financial indices, interest rates, foreign exchange rates or currencies, in which the SICAV may invest according to its investment objectives;
- the counterparties to OTC derivative transactions are credit institutions subject to prudential supervision and belonging to categories approved by the CSSF, and
- the OTC derivative instruments are subject to a reliable and verifiable valuation on a daily basis and may, on the SICAV's initiative, be sold, liquidated or closed by means of a symmetrical transaction at any time and at fair value; and
- in no circumstances will these transactions cause the SICAV to diverge from its investment objectives.

The SICAV may in particular carry out transactions involving options, futures contracts on financial instruments and options on such contracts.

The SICAV may hold cash on an ancillary basis.

### **3. INVESTMENT RESTRICTIONS**

Transferable securities and money market instruments

1. The SICAV may not invest its net assets in transferable securities and money market instruments of the same issuer in a proportion that exceeds the limits stipulated hereinafter, on the understanding that (i) these limits shall be respected within each sub-fund and (ii) the issuing companies that are grouped together for the purpose of consolidating their accounts shall be treated as a single entity when calculating the limits described in points a) to e) below.

a) A sub-fund may not invest more than 10% of its net assets in transferable securities or money market instruments issued by the same entity.

In addition, the total value of transferable securities and money market instruments held by the sub-fund in the issuing entities in which it has invested more than 5% of its net assets may not exceed 40% of the value of its net assets. This limit shall not apply to deposits with financial institutions subject to prudential supervision or to OTC derivatives transactions with such institutions.

b) The same sub-fund may invest a cumulative total of up to 20% of its net assets in transferable securities and money market instruments issued by the same group.

c) The 10% limit specified in point a) above may be increased to a maximum of 35% if the transferable securities and money market instruments are issued or guaranteed by a Member State of the EU, by its public regional authorities, by a country which is not a member of the EU or by international public organisations of which one or more EU Member States form part.

d) The 10% limit specified in point a) above may be increased to a maximum of 25% for certain bonds if

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they are issued by credit institutions with their registered office in an EU Member State and are legally subject to special public supervision intended to ensure protection of the holders of such bonds. In particular, the proceeds resulting from the issue of these bonds must be invested, in accordance with the law, in assets which, during the entire validity of the bonds, sufficiently cover the liabilities arising therefrom and which in the event of the issuer's default are assigned with priority to the repayment of capital and the payment of accrued interest. If a sub-fund invests over 5% of its net assets in the bonds referred to above and issued by a single issuer, the total value of such investments may not exceed 80% of the value of its net assets.

e) The transferable securities and money market instruments referred to in points c) and d) above are disregarded on application of the 40% limit stipulated in point a) above.

f) Exceptionally, 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 a Member State of the EU, by its regional public bodies, by an OECD Member State or by international public bodies comprising one or more Member States of the EU.

If a sub-fund makes use of the aforementioned possibility, these transferable securities must come from at least 6 different issues, without the value of securities from one single issue exceeding 30% of the sub-fund's total net assets.

g) Without prejudice to the limits set out under point 7 below, the 10% limit referred to in point a) above may be raised to a maximum of 20% for investments in shares and/or bonds issued by the same entity if the sub-fund's investment policy is to replicate the composition of a specific equity or bond index that is recognised by the CSSF, on the following bases:

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

The 20% limit is raised to 35% where this proves to be justified by exceptional market conditions, particularly on regulated markets where certain transferable securities or money market instruments predominate. Investment up to this limit is only permitted for a single issuer.

### Deposits with credit institutions

2. The SICAV may invest no more than 20% of the net assets of each sub-fund in bank deposits placed with the same entity. Companies that are grouped together for the purpose of consolidating their accounts shall be treated as a single entity when calculating this limit.

### Derivative instruments

3. a. The counterparty risk in an OTC derivative transaction may not exceed 10% of the sub-fund's net assets when the counterparty is a credit institution referred to in section 2. point g) above, or 5% of its net assets in other cases.

b. Investments in derivative financial instruments may be made provided that, overall, the risks to which the underlying assets are exposed do not exceed the investment limits set in points 1. a) to e), 2., 3. a) above and 5. and 6. below. When the SICAV invests in derivative financial instruments based on an index, these investments shall not necessarily be combined with the limits set in points 1. a) to e), 2., 3. a) above and 5. and 6. below.

c. When the security or the money market instrument is a derivative instrument, this must be taken into account to monitor the provisions set out in points 3. d) and 6. below, as well as for the assessment of the risks associated with transactions in derivative instruments, so that the overall exposure to derivative instrument risk does not exceed the total net value of the assets.

d. Each sub-fund will ensure that the total risk arising from derivative instruments does not exceed the total net assets of its portfolio. The risks are calculated with reference to the current value of the underlying assets, counterparty risk, foreseeable market movements and the time available to liquidate the positions.

### Units of undertakings for collective investment

Subject to other specific, more restrictive provisions relating to a given sub-fund and described in section 2 above, if applicable:

4. a. The SICAV may not invest more than 20% of the net assets of each sub-fund in the units of the same UCITS or another open-ended UCI as defined in section 2. point f) above.

b. Investments in units of UCIs other than UCITS may not exceed, in total, 30% of the net assets of the SICAV.

Where a sub-fund has acquired units of UCITS and/or other UCIs, the assets of these UCITS or other UCIs are not combined for the purposes of the limits provided for in point 7. a) to e) below.

c. Where the SICAV invests in the units of other UCITS and/or other UCIs that are managed, directly or by delegation, by the same Management Company or by any other company to which the Management Company is linked through common management or control, or through a substantial direct or indirect holding, said Management Company or other company may not charge subscription or redemption fees on the SICAV's investment in the units of such other UCITS and/or other UCIs.

The maximum management fee that can be charged both to UCITS and UCIs and/or other UCIs in which the SICAV intends to invest will be that indicated in the specific investment policy of the sub-fund concerned.

Insofar as this UCITS or UCI is a legal entity with multiple sub-funds in which the assets of a particular sub-fund correspond exclusively to the rights of investors in relation to that sub-fund and to those of the creditors whose claim arises out of the setting up, operation or liquidation of that sub-fund, each sub-fund must be regarded as a separate issuer for application of the above rules governing risk diversification.

### Combined limits

5. Notwithstanding the individual limits set out in points 1. a), 2. and 3. a) above, a sub-fund may not combine:

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

which amount to more than 20% of its net assets.

6. The limits stipulated in points 1. a), 1. c), 1. d), 2., 3. a) and 5. may not be aggregated and, in consequence, investments in transferable securities or money market instruments of the same issuer made in accordance with points 1. a), 1. c), 1. d), 2., 3. a) and 5. may in no case exceed 35% in total of the assets of the relevant sub-fund.

### Limitations on control

7. a. The SICAV may not acquire shares with voting rights giving it the right to exercise significant influence over the management of an issuer.
- b. The SICAV may not acquire more than 10% in shares without voting rights from a single issuer.
- c. The SICAV may not acquire more than 10% in bonds from a single issuer.
- d. The SICAV may not acquire more than 10% in money market instruments from a single issuer.

The limits provided for in points 7.c) through d) above may not be observed at the time of acquisition if, at this time, the gross amount of the bonds or the money market instruments, or the net amount of the securities issued, cannot be calculated.

The limits set out in points 7.a) through d) above will not be applied with regard to:

- transferable securities and money market instruments issued or guaranteed by an EU Member State or by its regional public authorities;
- transferable securities and money market instruments issued or guaranteed by a non-Member State of the EU;
- transferable securities and money market instruments issued or guaranteed by public international bodies of which one or more EU Member States are members;
- shares held in the capital of a company in an EU non-Member State, provided (i) that this company invests its assets essentially in securities of issuers of that State, (ii) that under the legislation of that State, such a participation constitutes the only possibility for the SICAV to invest in the securities of issuers of that State and (iii) that in its investment policy this company complies with the rules for risk diversification, counterparty risk and limitation of control set out in points 1.a), 1.c), 1.d), 2, 3.a), 4.a) and b), 5, 6, 7.a) through

d) above;

- shares held in the capital of subsidiary companies performing activities solely in favour of the SICAV such as management, advice or marketing in the country where the subsidiary is located, with regard to the redemption of units at the request of the shareholders.

### Borrowings

8. Each sub-fund is authorised to borrow up to 10% of its net assets provided that these borrowings are temporary. Each sub-fund may also acquire foreign currencies by means of a back-to-back loan.

Commitments with respect to options or the purchase and sale of futures contracts are not deemed to constitute "borrowings" for the calculation of this investment limit.

The SICAV will also ensure that the investments of each sub-fund comply with the following rules:

9. The SICAV may not grant credit or provide guarantees to third parties. This restriction does not exclude the acquisition of transferable securities, money market instruments or other financial instruments which are not fully paid up.

10. The SICAV may not enter into short sales of transferable securities, money market instruments or other financial instruments mentioned in section 3 points e), f) and h) above.

11. The SICAV may not acquire real estate property unless such acquisitions are essential for the direct pursuit of its business activity.

12. The SICAV may not acquire commodities, precious metals or certificates representing them.

13. The SICAV may not use its assets to underwrite any securities.

14. The SICAV may not issue warrants or other instruments conferring the right to acquire shares in the SICAV.

Notwithstanding all of the provisions set out above:

15. The above limits may be disregarded when exercising subscription rights attached to transferable securities or money market instruments that form part of the assets of the sub-fund concerned.

While ensuring observance of the principle of risk diversification, the SICAV may disregard the previously set limits for a period of 6 months following the date of its authorisation.

16. If the maximum percentages set out above are exceeded involuntarily by the SICAV or as a result of the exercise of rights attached to the securities in its portfolio, the SICAV must adopt as a priority objective for its sales transactions the remedying of that situation by taking into account the interests of the shareholders.

The SICAV is entitled to introduce other investment restrictions at any time provided that these restrictions are necessary to comply with the laws and regulations in force in certain States where the shares of the SICAV may be offered and sold.

#### 4. TECHNIQUES AND FINANCIAL OPERATIONS

The sub-funds do not use securities financing transactions or total return swaps as defined in European Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse (Securities Financing Transactions Regulation or SFTR).

##### (a) Collateral management

The counterparty risk in OTC derivative transactions, together with that resulting from other efficient portfolio management techniques, may not exceed 10% of the net assets of a given sub-fund where the counterparty is a credit institution specified, or 5% of its assets in other cases.

In this regard and with a view to reducing exposure to counterparty risk resulting from OTC derivative transactions and efficient portfolio management techniques, the SICAV may receive collateral.

This collateral must be given in the form of cash or bonds issued or guaranteed by a Member-State of the OECD, by their regional public authorities or by EU, regional or global supranational institutions or bodies.

Collateral received via a transfer of ownership shall be held by the Depositary, one of its agents or a third party under its control. In terms of other types of collateral arrangements, the collateral may be held by a third-party depositary that is subject to prudential supervision and has no connection with the provider of the collateral. The collateral received in exchange for loaned securities is kept in a segregated collateral account under the name of the relevant sub-fund and is not reused.

Non-cash collateral shall not be sold, reinvested or pledged. It shall at all times comply with the criteria set out in ESMA Guidelines no. 2012/832 in terms of liquidity, valuation, issuer credit rating, correlation and diversification with a maximum exposure limit of 20% of the SICAV's net assets to any given issuer.

Collateral received as cash may be reinvested. In this case, the reinvestment shall follow the SICAV's investment policy and shall meet the following conditions set out in the ESMA Guidelines:

- Deposits with the entities listed in point 3.1.1. g) above;
- Investment in high-quality government bonds;
- Use for the purpose of reverse repurchase agreements concluded with credit institutions subject to prudential supervision and on condition that the Company is in a position to recall the total cash amount at any time while accounting for accrued interest;
- Investment in short-term money-market UCIs as defined in the guidelines for a common definition of European money-market UCIs.

This cash collateral that is likely to be reinvested shall meet the same diversification requirements as any non-cash collateral received. Subject to the applicable provisions in Luxembourg law, the reinvestment of this collateral received in cash shall be taken into account when calculating the SICAV's overall exposure.

## LAFFITTE FUNDS

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This collateral shall be valued on a daily basis in accordance with section "5. Calculating the net asset value". However, the SICAV shall apply the following minimum discounts:

| OTC derivatives             |          |
|-----------------------------|----------|
| Type of collateral received | Discount |
| Cash                        | 0-10%    |
| Equities                    | 0-10 %   |
| Government bonds (1)        | 0-10 %   |

(1) Issued or guaranteed by OECD Member States

(b) Risk management

The Management Company has established risk management and control procedures in order to ensure compliance with the regulations in force as well as with the investment policies and strategies of each sub-fund:

- the Management Company will comply with the investment policies and strategies of the sub-funds while controlling their risk/return profiles;
- the volatility and performance of each sub-fund are analysed daily with risk factors monitored systematically;
- the risk management and control procedures ensure compliance with the applicable laws and regulations.

The internal auditor of the Management Company shall monitor the procedures and supervise the organisation of controls.

### 5. INVESTMENT OBJECTIVES AND POLICIES, RISK PROFILE AND INVESTOR PROFILE OF THE VARIOUS SUB-FUNDS

#### LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS

##### 1. Investment policy

The sub-fund's objective is to achieve a performance un-correlated to equity markets with a volatility level below 5. The objective of the management team is to obtain an absolute performance by using different arbitrage strategies, mainly alternatives described below.

The performance of the sub-fund is not assessed in relation to the evolution of a benchmark. However, the performance may be compared ex-post to the yearly capitalized EONIA for units quoted in Euro.

EONIA (Euro Overnight Index Average) corresponds to the daily zero-risk interest rate in the Euro zone. It is calculated by the European Central Bank.

The sub-fund's objective is to implement arbitrage strategies by using an approach based on three main principles: a fundamental analysis linked to a statistical-probabilistic analysis and an optimization of the portfolio's allocation based on the risk/reward of each position.

The Fund Management team has built proprietary analysis tools designed as databases to process and analyse the available data for each of the arbitrages; and use the results of past arbitrages to detect the best opportunities. The statistical-probabilistic analysis helps the asset manager to estimate the fair-value of a merger arbitrage spread by computing the probability of success of the offer and the potential fall of the stock if the offer fails.

The decisions of the asset managers are mainly discretionary. Decisions are taken on a daily basis and are traded in a dynamic way. There is weekly review of the sub-fund's strategies by the managers.

Positions are mainly traded «Long / Short», i.e. the purchase of a stock is compensated by the sale of another one.

The dispersion of the arbitrages among various techniques and markets help the managers to build a diversified portfolio. The split between various arbitrages depends on market conditions and takes into account stop-loss considerations to reduce the potential losses.

The strategies are mainly implemented in Europe and in North America. A small part of the portfolio can be invested in other geographic zones (notably in Japan or countries outside of the Organisation for Economic Cooperation and Development).

Investments cover all financial sectors and in every type of market capitalization with a limit of 10% for the small capitalizations, under the conditions set forth in the specifications of the financial instruments used.

In order to replicate long or short positions, the sub-fund can be invested in CFD « Contract For Differences » and/or OTC equity swaps. CFD and equity swaps are financial derivative contracts. The underlying assets are equities. These instruments allow the managers to sell and borrow a stock in the same contract.



The asset managers can take positions on equity or index derivatives to hedge or expose the portfolio. The sub-fund may be invested on securities embedding derivatives like subscription rights or convertible bonds that give immediate or deferred access to the capital of a company.

In order to cover its cost of financing and its rate exposure, the sub-fund can also invest on worldwide interest rate markets (interest rate swaps, interest rate Futures), FX markets (FX Swaps, Forward FX) and secure its rate of financing with Total Return Swaps and options strategies.

The indicative leverage is calculated as the sum of the nominal amounts of the financial contracts in the portfolio.

The sub-fund may invest up to 10% of its cash in UCITS of other funds complying with 1.e) of article 41 of the Law of 2010 concerning UCITS funds and up to 100% in short term notes, short term deposit and other money market instruments. These selected securities could be issued by countries or corporates with no limit in rating, including speculative « high yield » bonds.

Description of the investment strategies:

- Primary Strategy : Merger Arbitrage on announced deals

### Principle of the strategy

Buy or sell equities (or other securities) that are the subject of financial transactions in the form of takeover bids, public exchange offers, squeeze-out, mergers, etc. These strategies are implemented only when the transaction has been announced officially in the market.

The natural direction of the transaction is to buy the share of the target company at a discount versus the implicit value of the offer and to retain the securities until the transaction has been completed. If the offer is paid in shares of the purchasing company (or a combination of shares and cash), a short position is taken on the shares of the purchasing company to take advantage of the difference between the implicit value of the offer and the market price of the target.

If the probability of success of the operation seems insufficient, the inverse position can be set up (sale of the target in the case of a takeover or sale of the target and purchase of the purchaser in the case of a stock offer). It is also possible that the target company is the subject of a counter bid in this case it is possible to buy the target shares at a higher price than the current implied value of the first bid.

- Secondary Strategy : Corporate Action Arbitrages and non-announced deals

To improve the efficiency of management, two strategies may be put into place:

- Arbitrage of corporate actions provides an attractive risk/reward because these offers were issued without conditions.

- Subscription Rights / Underlying shares Arbitrage:

This strategy consists to buy the Subscription Rights when it prices under the theoretical value and to sale of the underlying shares (equities, convertible, warrants...), or the opposite, if the Subscription Rights are priced above their theoretical value. The arbitrage is balanced if the quantity of shares in the short position is exactly the same as the number that DPS will get upon subscription. There are two types of subscription rights: with or without payment of the new share at strike.

- Share Class Arbitrage :

Share Class arbitrage consists in buying and selling two different share classes issued by the same issuer. These distinct share classes may be ordinary shares, saving shares, preferred dividend shares, bearer shares...

The spread between the two share classes depends on the liquidity, the dividend, the voting rights, the borrowing cost, the conversion probability... The natural position is to anticipate the conversion of the shares into an ordinary share but the opposite position may be taken if the spread is tight.

This arbitrage strategy is also applicable to securities of the same issuer traded on different places such as American Depositary Receipt (ADR) denominated in USD or American Depositary Shares (ADS) in Canada, denominated in CAD. The arbitrage which consists to selling ADR or ADS against buying the underlying stock is possible because the ADR or ADS can be converted into ordinary shares.

- The operations in non-announced deals

The pre-announcement are not formally announced deals but widely expected. Non-announced deals present a higher risk than the rest of the portfolio but much more attractive yields. This strategy is more dynamic than the others, and the management team favours arbitrage on announced mergers and acquisitions.

In practice, these operations are based on the same principle as the one mentioned above: capture the difference between the target market price and the fair value determined by the potential terms of the offer. These strategies should therefore also be within the analytical framework of announced mergers and acquisitions.

## 2. Information on sustainability

Regulation (EU) 2019/2088 of 27 November 2019, relating to the publication of information on sustainability in the financial services sector, established harmonized and transparency rules regarding the integration of risks in sustainability and the consideration of negative impacts on sustainability.

Unless otherwise indicated in the investment policy, LAFFITTE FUNDS - LAFFITTE RISK ARBITRAGE UCITS is considered to fall within the scope of article 6 of the SFDR Regulation.

The sub-fund has neither a binding approach nor an objective in terms of taking into account extra-financial criteria. Nevertheless, the investment team avoids any investment in companies that have violated human rights and involved in controversial weapons. In accordance with our exclusion policy, any share of a company involved in such activities will be immediately excluded from the investment universe.

### 3. Description of used assets

The sub-fund may be invested as follow:

#### Equities

In most cases, the transactions are related to companies' shares. There may be circumstances where the operation is extended to other types of financial instruments (such as convertible bonds, debt securities, subscription warrants). The analysis of the risk / reward of an investment helps to determine which instrument(s) will be the most adequate. Investments in equity may be done with a limit of 10% in equities of emerging markets respecting liquidity constraints. The sub-fund may also use subscription rights.

#### Between 0% and 100% in money market instruments

The sub-fund is long cash. The cash management may remunerate the sub-fund liquidity by investing in the money markets. The sub-fund may be invested as well in short term notes, short term deposit and other money market instruments. These securities could be issued by Countries or Corporates with no limit in rating, including speculative « high yield » bonds. In special market conditions, the exposure to these instruments may reach 100%. The average expected rating of the issuers may be up to BBB- (S&P reference) or an equivalent rating produced by another rating agency or with an equivalent internal rating of the management company. The sub-fund will not invest in securitized securities such as Asset Backed Securities, distressed securities or contingent convertible bonds.

#### Between 0% and 10% in units of UCITS:

The sub-fund may invest up to 10% of its cash in UCITS or other funds complying with the 1.e) of article 41 of the Law of 2010 concerning UCITS funds.

The sub-fund may invest in UCITS or Alternative investment fund (AIF) respecting the European directive 2009/65/CE managed by an investment company or an entity of the same group.

The exposure on this asset class is made in order to diversify the portfolio, enhance cash management and optimize the Fund's performance.

#### Derivatives instruments

The management team can take positions on vanilla forward securities (Futures and options on stocks, indices and dividends) on French and foreign markets, listed or OTC. It may also take positions on interest rates (interest rate swaps, futures rates), on currencies (FX swap, forward foreign exchange) to hedge the portfolio.

The sub-fund can be invested in CFD « contract for differences » and/or OTC equity swaps in order to replicate long or short positions. CFDs and equity swaps are simple instruments.

The underlying assets are equities which allow the fund managers to sell and borrow a stock in the same contract. In terms of performance, CFDs reflect the same performance as the underlying shares.

## LAFFITTE FUNDS

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The sub-fund uses mainly OTC contracts on a single stock, equivalent to the holding or short selling of this stock. CFDs are used through a convention and the counterparties are selected according to a strict procedure. CFDs may embed a risk of liquidity.

The sub-fund may invest in warrants traded in Luxembourg and/or other countries.

### Securities embedding derivatives

The sub-fund may invest in warrants listed in France or on any other market as well in subscription rights, certificates, Euro Medium Term Notes (EMTN), in convertibles bonds of different types (bonds convertibles in actions, bonds convertibles in subscription rights, bonds payable stocks, bonds with a conversion and or exchange option in existing or new shares (OCEANE) and more generally all financial instrument embedding a derivative allowing immediate or differed access to the capital of a company, with the objective of hedging or expose the portfolio. The over exposure to the market through derivatives is limited to 100%.

The underlying or risk associated may be linked to equities, interest rates or credit and may be eligible to assets described in the 2010 Law.

### Cash loans / deposit

Temporally, the sub-fund reserves the possibility of deposit in the limit of 100% of the net assets and cash loans up to 10% of the net assets with the objective of optimizing the sub-fund's cash and to manage subscription/redemption dates invested UCITS. This type of instruments will be used in function to market conditions.

#### 4. Risk profile

##### ➤ Risk linked to capital loss:

The sub-fund offers no capital guarantee or protection, investors may not get back the total value of their initial investment.

##### ➤ Risk linked to the equity markets:

The strategies implemented are mainly Long/Short i.e. consist in purchasing a security and compensating it by the sale of another security or by a hedging operation using derivatives. However, the whole portfolio can have a residual net exposure to the market. A residual short exposure may lead to a significant fall of the sub-fund's Net Asset Value if the market goes up.

##### ➤ Leverage risk:

As derivative instruments require low initial investment, a slight change in the value of the underlying assets can result in a gain or loss substantially greater than the amount invested in the derivative itself. The management of the sub-fund may use leverage through borrowing cash or securities and by using financial instruments.

This leverage enhances the potential gains but also heightens the risk of loss. This risk may cause a significant fall of the sub-fund's Net Asset Value.

➤ Credit risk:

Credit risk is about the risk of reduction in the quality of credit of an issuer or about defect of the latter. This risk is calculated on the fact that an issuer of bonds or debt securities cannot meet his deadlines, that is in the payment of the coupons and/or in the repayment of the capital when due. Also concerned by the risk of downgrading. A default may result in significant losses for the sub-fund.

➤ Interest rate Risk:

Subfund's assets may have exposure to fixed income securities. The return of these investments is negatively linked to a fall of the interest rates. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. This risk may cause a significant fall of the sub-fund's Net Asset Value.

➤ Risk of not fulfilling the fund's objective:

Considering the fund's strategy, the main risk taken by the investor leans on the fund manager's capacity to correctly estimate the fair value of a company and to anticipate any event that could have an impact on its value. Globally it depends on its capacity to correctly evaluate the risk/reward of the arbitrages.

➤ The risk of a merger or acquisition failure:

The evolution of the probabilities of failure (success rate) with a merger-acquisition determines the evolution of the spread on the strategy. In the case of a normal strategy, the withdrawal of an operation can lead to a significant drop in the stock of the target company and possibly a rise in shares of the predatory company in the case of a public offer of exchange. The risk is all the more important as the offer(s) premium at the announcement is generous and when the probability of a non-completion of the transaction is high. In the case of "reverse deals" strategies (selling position on the target company by an offer and possibly buying the purchaser), initiated on the basis of expectations of failure of merger, the risk lies in the success of the offer.

➤ Dividend Risk:

A non-anticipated change in the dividend amount significantly influences the profitability of the strategy arbitrage.

➤ Risk of non-correlation between stocks:

The risk of mean reversion (non-correlation) occurs when a supposed stable statistical relationship between two shares is not confirmed by the market following a shock on the pair. In order to limit this risk, a statistical review over a past period has to validate the effectiveness of the pair trade.

➤ Loan and Borrowing Risk:

In the case of an increase of the fee paid to the lender of the short sale securities, the profitability of the strategy may be significantly reduced. Furthermore if the lender recalls the loan, the position has to be bought back even if market conditions are not suitable.

Each of these risks may cause a significant drop of the sub-fund's Net Asset Value.

➤ Risk linked to the non-OECD market:

The sub-fund may invest in non-OECD countries. The shares of these countries provides less liquidity than the large caps in developed countries; and certain securities from these countries can be difficult to trade, or non negotiable, or no longer negotiable on a momentary basis. This situation is due in particular to the absence of trade in the market or due to the regulatory restrictions. As a result, the possession of such securities can result in exceptions to the normal functioning of the sub-fund in accordance with the rules and regulations of the scheme. In addition, a market decline could sharper and faster than in developed countries; the net asset value could decline more sharply and more rapidly.

➤ Volatility risk:

The sub-fund may take some positions on volatility (volatility is an estimate of the magnitude of the price variation of a security) of the equity markets. As such an adverse move of volatility may have a negative impact of the sub-fund valuation.

➤ Small-Cap and Mid-Cap Risk

The sub-fund may be invested in small capitalisations i.e. inferior to €150 Million. The small capitalisation market represents lower volumes; as such markets movements can be sharper and faster than on mid and big capitalisations. This risk may cause a significant fall of the fund's Net asset Value.

➤ Currency risk:

The sub-fund can purchase and sell securities in other currencies than the currency of the sub-fund (EUR). To limit the potential adverse impact of a contrary trend in the foreign exchange markets, the sub-fund may hedge the currency risk.

➤ Counterparty risk:

Counterparty risk results from all the over-the-counter financial contracts concluded with the same counterparty. Counterparty risk measures the risk of loss for the sub-fund if the counterparty to a transaction defaults in its obligations before payment is made in final settlement of the transaction. To reduce the sub-fund's counterparty risk exposure the management company may provide a guarantee in favour of the sub-fund.

As regards monetary assets and in connection with deposits, in addition to the risks mentioned in the following paragraphs, interest rate risk, default risk, market risk, specific risk, country and regional risk, counterparty risk, settlement risk and, to a lesser extent, liquidity risk, delivery risk and custody risk also need to be taken into consideration.

For more information on the particular risks associated with the use of financial techniques and instruments, please refer to section 5 "Financial techniques and instruments".

Subscribers should be aware that the sub-fund uses a value at risk (VaR) probabilistic method for calculating commitments on derivative financial instruments. Thus, the sub-fund's VaR with a 20-day horizon and a probability level of 99% may not exceed 20%. This means that there is a 99% probability that the loss sustained by a unitholder over a 20-day period will not exceed 20%. Investors are also advised that this limit should in no way be construed as a guarantee; it is simply a target expressed as a probability.

The sub-fund expected leverage, under normal market conditions, should be 200%, although higher levels are possible.

### 5. Investor profile

The LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS sub-fund is intended for all categories of investors wanting to take advantage of market opportunities via fixed income management over an investment horizon of more than three years. The sub-fund is intended for investors not averse to certain risks.

### 6. Reference currencies

The net asset value of the « EUR-A » and « EUR-A DIS » class of the LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS sub-fund is expressed in EUR.

The net asset value of the « EUR-I », « EUR-L » and « EUR-I DIS » class of the LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS sub-fund are expressed in EUR.

The net asset value of the « USD-I HDG » and « USD-L HDG » classes of the LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS sub-fund are expressed in USD.

The net asset value of the « GBP-I HDG » and « GBP-L HDG » classes of the LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS are expressed in GBP.

The net asset value of the « CHF-I HDG » and « CHF-L HDG » classes of the LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS sub-fund are expressed in CHF.

The net assets of the « EUR-S » class of the LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS sub-fund is expressed in EUR.

The net assets of the LAFFITTE RISK ARBITRAGE UCITS sub-fund are consolidated in EUR.

### LAFFITTE FUNDS – LAFFITTE ESG DIVIDEND

#### (1) Investment policy

The sub-fund's objective is to outperform the benchmark over a five years recommended investment horizon. The benchmark is composed of 100% MSCI Europe Standard (Net Return) EUR in euro, dividends reinvested, available on Bloomberg with the MSDEE15N reference index.

The investment strategy of the sub-fund is to generate performance by investing mainly in European equities.

Because of its eligibility for the tax regime applying to PEA share savings plans, the sub-fund invests at least 75% of its net assets in PEA-eligible securities.

The global exposure of the sub-fund to equity markets will be managed on a pro-active basis and shall be no more than 120% of the assets. The net exposure to equity markets through the use of derivatives may therefore be at a maximum of 45%, with the objective of outperforming the benchmark. The fund manager may invest in large to mid-capitalization stocks (capitalization comparable to those included in the MSCI Europe index) of all countries.

The selection direct investment and UCITS included in the sub-fund's asset will be made on a discretionary basis.

The investment process initially defines an investment universe of European stocks. Then a financial analysis coupled with an extra-financial analysis allows to define the targeted stocks of the portfolio.

The financial analysis is based on both fundamental analysis and technical indicators such as dividend ratios, volatility, financial ratios such as PER, EV / EBITDA etc.

The fundamental analysis is carried out in particular with the support of external research, whose main criteria are:

- The ability to increase shareholder compensation through dividends in future years,
- The quality of the company's management,
- The strategic positioning,
- The expectations of the future results of the company,
- The ability to generate a return on invested capital above its cost of capital over time,
- The financial structure.

This analysis is systematically coupled with an extra-financial analysis that integrates ESG (Environmental, Social and Governance) criteria, in particular to limit the impact of extreme risks that are not appreciated by a sole financial analysis and thus to favour sustainable performance.

#### (2) Information on sustainability

Regulation (EU) 2019/2088 of 27 November 2019, relating to the publication of information on sustainability in the financial services sector, established harmonized and transparency rules with regard to the integration of risks in sustainability and the consideration of negative impacts on sustainability.



Unless otherwise indicated in the investment policy, LAFFITTE FUNDS - LAFFITTE ESG DIVIDEND is considered to fall within the scope of article 8 of the SFDR Regulation. Indeed, LAFFITTE FUNDS - LAFFITTE ESG DIVIDEND promotes environmental and social characteristics and is exposed to the risk of sustainability.

In addition, LAFFITTE CAPITAL MANAGEMENT takes into account the negative effects on sustainability factors.

Indeed, controversial sectors subject to the Management Company's sector policy include controversial weapons, tobacco, gambling, palm oil, nuclear, thermal coal mining and oil sands. The exclusion of companies exposed to these controversial sectors depends on (i) the degree of exposure of companies to said sectors (measured as a percentage of sales) and / or (ii) whether or not said companies apply a "Corporate Social Responsibility" (CSR) policy which deals with risks specific to their sector.

The Sub-Fund's approach is therefore based on a significant commitment to ESG criteria.

In order to achieve this goal, the Sub-Fund relies on the internal and/or external expertise of one or more sources of extra-financial ratings to select companies for the most virtuous companies on ESG criteria (at least with an A rating from the scoring of the MSCI ESG database). The extra-financial analysis therefore also aims to have a beneficial impact on the environment and society's stakeholders, on topics such as climate change, natural resource management, the health of individuals and their safety.

In order to quantify this approach, the Sub-Fund publishes in its monthly reporting an ESG score (using the scoring of the MSCI ESG database) as well as an estimated carbon risk in CO<sub>2</sub> T / \$ M.

Both indicators must be better than those of the benchmark index, that is to say an ESG score higher than that of the benchmark index and a lower carbon risk than the same index.

The sub-fund will also invest in securities that may be the subject of specific financial transactions such as takeover bids.

The management team collects the maximum amount of information, studies and benefits from direct meetings with companies in which the sub-fund is invested or likely to invest.

The sub-fund may invest in cash deposits, money market instruments, units / shares of UCITS, securities sovereign or private debt and money market instruments, up to a limit of 20%.

### 3. Description of used assets

#### Equities

The selection of equities is discretionary. The sub-fund may invest in European equities of any capitalization size. The sub-fund may be exposed to Union European equity up to a maximum of 100% of its net assets. In addition, the sub-fund may be exposed to investment in subscription rights

The sub-fund may be exposed to investment in shares of emerging markets to a maximum of 10%.

The sub-fund may be exposed to investment in shares of small companies to a maximum of 10%.

### Holding of UCITS

The sub-fund may invest up to 10% of its assets in investment funds complying with point 1.e) of article 41 of the Law of 17 December 2010 concerning undertakings for collective investments. Investments in UCITS funds will be made in UCITS from European Community countries, other UCITS or UCITS which track international indices.

The manager will use these UCITS to meet investment needs where it is believed that investing in a UCITS more closely matches the desired objective than investing directly in securities (specific sector or geographical region, fixed income products, etc.).

The sub-fund may invest in UCITS within the scope of Directive 2009/65/EC or AIF respecting the rules of Directive 2009/65/EC, which may also be, where appropriate, managed by the management company or a related company.

### Derivatives instruments

The management team can take positions on vanilla forward securities (Futures and options on stocks, indices and dividends) on French and foreign markets, listed or OTC. It may also take positions on interest rates (interest rate swaps, futures rates), on currencies (FX swap, forward foreign exchange) to hedge the portfolio.

The sub-fund can be invested in CFD « contract for differences » and/or OTC equity swaps in order to replicate long or short positions.

CFDs and equity swaps are simple instruments. The underlying assets are equities. These instruments allow the managers to sell and borrow a stock in the same contract. In terms of performance, CFDs reflect the same performance as the underlying shares.

The sub-fund uses mainly OTC contracts on a single stock, equivalent to the holding or short selling of this stock CFDs are used through a convention and the counterparties are selected according to a strict procedure. CFDs may embed a risk of liquidity.

The sub-fund may invest in warrants traded in Luxembourg or foreign markets.

The Sub-Fund's total exposure to risk is monitored using the linear approach. As a result, the total exposure related to positions in financial derivative instruments cannot exceed 100%.

### Securities embedding derivatives

The sub-fund may invest in certificates, Euro Medium Term Notes (EMTN), in convertibles bonds of different types (bonds convertibles in actions, bonds convertibles in subscription rights, bonds payable stocks) bonds with a conversion and or exchange option in existing or new shares (OCEANE) and more generally all financial instrument embedding a derivative allowing immediate or differed access to the capital of a company, with the objective of hedging or expose the sub-fund to the capital loss. The amounts invested in securities with embedded derivatives may not exceed 25% of the sub-fund's assets.

The underlying asset or associated risk may be equity, interest rate or credit risk and has to be eligible to assets defined in 2010 Law.

### Debt securities and money market instruments

The sub-fund may invest up to 20% of its assets in debt securities or bonds denominated in euro or any other currency. The sub-fund will not invest in securitized securities such as Asset Backed Securities, distressed securities or contingent convertible bonds. The rating level of the issuers may not fall below B- (S&P reference) or an equivalent rating produced by another rating agency or with an internal rating of the equivalent management company. Within this pocket, if the rating of an issuer is degraded below the aforementioned level in which the sub-fund is invested, the position will be systematically closed.

The sensitivity of the compartment will be within a range of -1 to 10.

### Currencies

The sub-fund may be exposed to currency risk in international currencies up to 100%.

### Deposits / borrowings of cash

The sub-fund may use deposit up to 100% of its assets and cash borrowings up to 10% of the sub-fund's net assets on a temporary basis, in particular to optimize the cash management position of the sub-fund and to manage the different subscription / redemption value dates of the underlying UCITS. This type of instrument will nevertheless be used depending on market conditions.

#### (4) Risk profile

##### ➤ Risk of capital loss:

A capital loss occurs when a unit is sold at a lower price than that paid at the time of purchase. The sub-fund's capital is neither guaranteed nor protected. The initially invested capital is exposed to market fluctuations.

##### ➤ Equity risk:

Equity risk corresponds to a fall in equity markets; as the sub-fund has equity exposure, the net asset value may fall sharply.

The sub-fund may invest in small caps i.e. with a capitalization below €150M. As the volume of these listed securities is relatively low, market downturns are more pronounced and more abrupt than for large caps. The net asset value of the sub-fund may therefore behave in the same way.

##### ➤ Discretionary risk management:

The sub-fund's performance will depend on the securities selected by the portfolio manager. There is a risk that the portfolio manager may not select the best performing securities.

##### ➤ Interest rate risk:

Interest rate risk corresponds to a risk linked to a rise in interest rates; the value of fixed income may fall and the net asset value of the sub-fund may therefore behave in the same way.

➤ Credit risk:

Credit risk is about the risk of reduction in the quality of credit of an issuer or about defect of the latter. This risk is calculated on the fact that an issuer of bonds or debt securities cannot meet his deadlines, that is in the payment of the coupons and/or in the repayment of the capital when due. A default may result in significant losses for the sub-fund.

➤ Below-Investment Grade Securities Risk:

The attention of investors is called to the investment strategy of the sub-fund, which may be invested in speculative securities which have a low rating, or no rating at all and which are traded on markets whose operating conditions, in terms of transparency and liquidity, may deviate significantly from the standards of European stock exchanges or regulated markets.

Consequently, this product is aimed at investors who are sufficiently experienced to be able to evaluate the benefits and risks.

➤ Liquidity risk:

In unusual market conditions or when a market is particularly small, the sub-fund may have difficulty valuing and/or selling some assets held by it, in particular in order to fulfil large redemption requests.

➤ Emerging Markets Risk:

The sub-fund reserves the right to invest in non-OECD countries. The shares of these countries provides less liquidity than the large caps in developed countries; and certain securities from these countries can be difficult to handle if the securities are not negotiable, or are no longer negotiable on a momentary basis. This situation is due in particular to the absence of trade in the market or due to the regulatory restrictions. As a result, the possession of such securities can result in exceptions to the normal functioning of the sub-fund in accordance with the rules and regulations of the scheme. In addition, a market decline could be more marked and faster than in developed countries, the net asset value could decline more sharply and more rapidly.

➤ Currency risk:

The sub-fund may invest in instruments denominated in currencies other than euro within the European Community and Swiss francs; the currency risk is the fall in the investment currency against the reference currency of the portfolio. A fall in the currency may decrease the sub-fund's net asset value.

➤ Sustainability risk:

Sustainability risk is primarily related to climate-related events resulting from climate change (called physical risks) or society's response to climate change (called transition risks), which can lead to unforeseen losses that can affect investments. and the profitability of a Sub-Fund. Social events (e.g. inequality, inclusion, labor relations, investment in human capital, accident prevention, change in customer behavior, etc.) or governance gaps (for example, significant and recurring violation of international agreements, corruption issues, product quality and safety, sales practices, etc...)

➤ Small-Cap and Mid-Cap risk:

Markets on which the sub-fund invests (in particular small and mid-capitalisations equity markets) may occasionally be affected by a temporary lack of liquidity. These market distortions may affect the pricing conditions to which the sub-fund may have to liquidate, initiate or change positions.

➤ Counterparty risk:

In the case of products traded over the counter (OTC), the sub-fund may have to bear additional risks related to counterparty exposure. This risk measure the losses incurred by the sub-fund in respect of commitments entered into with counterparty. The default of the counterparty may cause a significant decrease in the net asset value of the sub-fund. In general, these transactions are entered into in line with regulatory requirements such as collaterals and margin calls. This risk may result in a significant decline in the net asset value of the sub-fund.

Regarding monetary assets and in connection with deposits, in addition to the risks mentioned in the following paragraphs, interest rate risk, default risk, market risk, specific risk, country and regional risk, counterparty risk, settlement risk and, to a lesser extent, liquidity risk, delivery risk and custody risk also need to be taken into consideration.

For more information on the particular risks associated with the use of financial techniques and instruments, please refer to section 5 "Financial techniques and instruments".

The sub-fund's total exposure to risk is monitored by using a commitment approach. This method measures the total exposure of financial derivative positions which cannot exceed the Net Asset Value of the sub-fund.

(5) Investor profile

The LAFFITTE FUNDS – LAFFITTE ESG DIVIDEND sub-fund is intended for all categories of investors wanting to take advantage of market opportunities via an active management approach, over an investment horizon of more than five years. The sub-fund is intended for investors not averse to certain risks.

(6) Currencies

The net asset value of the « EUR-R » and « EUR-R DIS » classes of the LAFFITTE FUNDS – LAFFITTE ESG DIVIDEND sub-fund are expressed in EUR.

The net asset value of the « EUR-I » and « EUR-I DIS » classes of the LAFFITTE FUNDS – LAFFITTE ESG DIVIDEND sub-fund are expressed in EUR.

The net asset value of the « EUR-S » class of the LAFFITTE FUNDS – LAFFITTE ESG DIVIDEND sub-fund is expressed in EUR.

The net asset value of the « EUR-E » class of the LAFFITTE FUNDS – LAFFITTE ESG DIVIDEND sub-fund is expressed in EUR.

The net assets of the LAFFITTE ESG DIVIDEND sub-fund are consolidated in Euro.

**6. BENCHMARK REGULATION**

Shareholders and potential investors should note that, in accordance with the requirements of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 6 June 2016 on indices used as benchmarks in financial instruments and financial contracts or for measuring performance investment funds (the "Benchmark Regulation"), the Management Company has adopted a business continuity plan to define the shares that the SICAV would take in the event that a benchmark used by a Sub-Fund changes or ceases to exist. 'to be active. The continuity plan is available to all shareholders and potential investors at no cost by simple request to the Management Company.

The Manager is required under the Benchmark Index Regulations to use only benchmarks provided by the authorized reference directors in the register of directors maintained by ESMA pursuant to section 36 of the said Reference Index Regulations.

| Name of the Sub-Fund          | Index of reference   | Administrator of the index | Registration of the administrator of the index | Use of the index of reference      |
|-------------------------------|----------------------|----------------------------|--|------------------------------------|
| Laffitte Risk Arbitrage UCITS | Eonia capitalized    | European Central Bank      | N/A  | Calculation of the performance fee |
| Laffitte ESG Dividend         | MSCI Europe Standard | MSCI Limited               | Oui  | Calculation of the performance fee |

(\*) as of 11 February 2019 source : <https://registers.esma.europa.eu/publication>

## IV. THE SHARES

### 1. GENERAL INFORMATION

The capital of the SICAV is represented by the assets of the SICAV's various sub-funds. Subscriptions are invested in the assets of the relevant sub-fund.

All the SICAV's shares must be fully paid-up. There is no limit on the number of shares that may be issued. Nevertheless, the Board of Directors may limit the frequency with which shares are issued in a sub-fund and/or class of shares; the Board of Directors may in particular decide that the shares of a sub-fund and/or a class of shares will only be issued during one or more pre-determined periods of time or up to a specific amount of net assets.

The shares of each sub-fund have no nominal value and do not grant any preferential subscription rights when new shares are issued. The rights attached to shares are those specified in the Luxembourg Law of 10 August 1915 on commercial companies, as amended, provided that there is no exemption from these in the Law of 2010. Each full share entitles its holder to one vote at General Meetings of Shareholders regardless of its net asset value.

The SICAV constitutes a single legal entity. However, the assets of a specific sub-fund cover only the debts, commitments and liabilities of said sub-fund. Each sub-fund is treated as a separate entity in relations between shareholders.

### 2. CHARACTERISTICS OF THE SHARES

#### a) Classes and categories of shares

For each sub-fund, the Board of Directors may decide at any time to issue different classes of shares, which may themselves be sub-divided into categories of shares (accumulation shares or distribution shares).

On the date of the Prospectus, the Board of Directors has decided to issue the following classes of shares for each sub-fund. These classes of shares differ in particular by type of investor, and/or the minimum investment amount, and/or the reporting currency, and/or the applicable management and distribution fees, and/or a hedging policy, and/or a deadline for subsequent subscriptions if applicable:

For the LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS sub-fund:

- “EUR-A” class: accumulation shares denominated in euro and intended for all types of investors,
- “EUR-A DIS” class: distribution shares denominated in euro and intended for all types of investors,
- “EUR-I” class: accumulation shares denominated in euro and intended for institutional investors,
- “EUR-L” class: accumulation shares denominated in euro and intended for institutional investors with “large” investment capacities,
- “EUR-I DIS” class: distribution shares denominated in euro and intended for institutional investors,
- “GBP-I HDG” class: accumulation shares denominated in GBP and intended for institutional investors,

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- “GBP-L HDG” class: accumulation shares denominated in GBP and intended for institutional investors with “large” investment capacities,
- “USD-I HDG” class: accumulation shares denominated in USD and intended for institutional investors,
- “USD-L HDG” class: accumulation shares denominated in USD and intended for institutional investors with “large” investment capacities,
- “CHF-I HDG” class: accumulation shares denominated in CHF and intended for institutional investors,
- “CHF-L HDG” class: accumulation shares denominated in CHF and intended for institutional investors with “large” investment capacities,
- “EUR-S” class: accumulation shares denominated in euro and intended for employees of the management company (permanent employees, 3-month seniority and the managers), for their relatives to the first degree of kinship, for the portfolio managed by the company and FCPE for employees of the management company,

For the LAFFITTE FUNDS – LAFFITTE ESG DIVIDEND sub-fund:

- “EUR-R” class: accumulation shares denominated in euro and intended for all types of investors,
- “EUR-R DIS” class: distribution shares denominated in euro and intended for all types of investors,
- “EUR-I” class: accumulation shares denominated in euro and intended for institutional investors,
- “EUR-I DIS” class: distribution shares denominated in euro and intended for institutional investors,
- “EUR-S” class: accumulation shares denominated in euro and intended for employees of the management company (permanent employees, 3-month seniority and the managers), for their relatives to the first degree of kinship, for the portfolio managed by the company and FCPE for employees of the management company,
- “EUR-E” class: distribution shares denominated in euro and intended for all investors. This class can be subscribed from 17 February 2020 for a period of one year.

Holders of accumulation shares are not entitled to receive dividends. Following each distribution of cash dividends – annual or interim – to the distribution shares, the proportion of the net assets of the sub-fund or class to be allocated to the distribution shares as a whole will be reduced by an amount equal to the amount of the dividends distributed, thereby resulting in a reduction in the percentage of the net assets of the sub-fund or class attributable to the distribution shares as a whole, while the proportion of the net assets of the sub-fund or class attributable to the accumulation shares as a whole will remain the same, thereby resulting in an increase in the percentage of the net assets of the sub-fund or class attributable to the accumulation shares as a whole.

The value of the net assets of a sub-fund or a given class will be broken down between, on the one hand, the distribution shares as a whole and, on the other hand, the accumulation shares as a whole, in accordance with Article 13 of the Articles of Association.

The net asset value of one share therefore depends on the value of the net assets of the sub-fund or class in respect of which said share is issued, and, within the same sub-fund or class, its net asset value may vary depending on whether it is a distribution share or an accumulation share.

The Board of Directors will establish a distinct pool of net assets for each sub-fund. In relations between shareholders, this pool of assets will be allocated solely to shares issued in respect of the sub-fund concerned, taking into account, if applicable, the breakdown of this pool of assets between the distribution classes and shares and the accumulation shares of said sub-fund.



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The Board of Directors may sub-divide the existing shares of each class and/or category of shares into a number of shares determined by it, in such a case, the total net asset value of the latter must be equal to the net asset value of the sub-divided shares in existence at the time of the subdivision.

### b) Registered shares

All shares, regardless of the sub-fund or category to which they belong, may be issued in the form of registered shares.

Registered shares are entered in the SICAV's register of shareholders. A confirmation of registration will be issued to shareholders.

Arrangements may be made for shares to be held in accounts opened with Clearstream or Euroclear. Investors should be aware that while Clearstream will accept the delivery of fractional shares calculated up to two decimal places, Euroclear will accept only full shares.

### c) Fractional shares

Fractional shares may be issued up to three decimal places. Holders of fractional shares are not entitled to vote at General Meetings. On the other hand, holders of fractional shares are entitled to dividends and any other amounts that may be distributed.

### d) ISIN Codes

| Compartiment                                      | Classe      | Code ISIN    |
|---|-------------|--------------|
| LAFFITTE FUNDS – LAFFITTE RISK<br>ARBITRAGE UCITS | EUR-A       | LU1602252113 |
|   | EUR-A DIS   | LU1602252469 |
|   | EUR-I       | LU1602251818 |
|   | EUR-L       | LU2112746206 |
|   | EUR-I DIS   | LU1602252204 |
|   | GBP-I HDG * | LU1610898691 |
|   | GBP-L HDG*  | LU2116446308 |
|   | USD-I HDG * | LU1610898428 |
|   | USD-L HDG*  | LU2112746388 |
|   | CHF-I HDG * | LU1610898857 |
|   | CHF-L HDG*  | LU2116445912 |
|   | EUR-S       | LU1602251909 |
| LAFFITTE FUNDS – LAFFITTE ESG<br>DIVIDEND         | EUR-R       | LU1987179162 |
|   | EUR-R DIS   | LU1987179329 |
|   | EUR-I       | LU1987179592 |
|   | EUR I DIS   | LU1987179675 |
|   | EUR-S       | LU1987179758 |
|   | EUR-E       | LU2112746628 |

\* Equity positions are hedged against currency risk.

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### 3. SHARE ISSUE AND SUBSCRIPTION PRICES

The Board of Directors is authorised to issue shares in each sub-fund and each class at any time and without limitation.

#### a) Initial subscriptions

The EUR-R, EUR-S et EUR-I shares classes of the LAFFITTE RISK ARBITRAGE UCITS sub-fund was launched by absorptions of the R, S and I respectively of LAFFITTE RISK ARBITRAGE UCITS, a French FCP on 2 October 2017.

The USD-I HDG share class of the LAFFITTE RISK ARBITRAGE UCITS sub-fund was launched on 6 September 2019. The EUR-A DIS, EUR-I DIS, EUR-L, GBP-I HDG, GBP-L HDG, USD-L HDG, CHF-I HDG and CHF-L HDG classes of shares of the LAFFITTE RISK ARBITRAGE UCITS sub-fund will be offered for initial subscription on a date to be determined by a circular resolution adopted by the SICAV's Board of Director, if the date has been determined the prospectus will be updated.

The EUR-R, EUR-S and EUR-I shares classes of the LAFFITTE ESG DIVIDEND sub-fund were launched on 28 June 2019.

The EUR-E share class of the LAFFITTE ESG DIVIDEND will be offered for initial subscription on a date to be determined by a circular resolution adopted by the SICAV's Board of Director, if the date has been determined the prospectus will be updated.

The Board of Directors reserves the right to close the initial subscription date early or to extend it. Shareholders will be informed, and the Prospectus will be updated.

#### b) Current subscriptions

The shares of all the sub-funds are issued at a price which corresponds to the net asset value per share without subscription fee.

Subscription requests received by the Transfer Agent and Registrar within the time limit specified below will be processed, if they are accepted, at the net asset value per share of the relevant sub-fund and class concerned, as determined on the Valuation Day in question. Subscription requests received after the said deadline will be processed on the next Valuation Day.

|  |   |
|--|---|
| LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS | no later than 11:00 (Luxembourg time) a business day before the Valuation Day |
| LAFFITTE FUNDS – LAFFITTE ESG DIVIDEND         | no later than 11:00 (Luxembourg time) a business day before the Valuation Day |

Subscription requests for the sub-funds will relate either to a number of units, or to an amount to be invested in the relevant sub-fund.

The SICAV may agree to issue shares in consideration for a contribution in kind of transferable securities, for example in the case of a merger with an external sub-fund, insofar as said transferable securities comply with the investment objectives and policy of the sub-fund in question, as well as with the relevant provisions of

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Luxembourg law, including inter alia the requirement to present a valuation report drawn up by the SICAV's statutory auditor. This report must be made available for consultation. Any expenses incurred in connection with a contribution in kind of transferable securities will be borne by the shareholders in question.

### c) Minimum initial investment

The minimum initial investment required for any new investor is:

|           | Minimum initial amount | Minimum initial investment in share | Share nominal value |
|-----------|------------------------|-------------------------------------|---------------------|
| EUR-I     | EUR 150 000            | 1                                   | EUR 1000            |
| EUR-I     | EUR 150 000            | 1                                   | EUR 1000            |
| EUR-L     | EUR 10 000 000*        | 1                                   | EUR 1000            |
| EUR-I DIS | EUR 150 000            | 1                                   | EUR 1000            |
| USD-I HDG | USD 150 000            | 1                                   | USD 1000            |
| USD-L HDG | USD 10 000 000*        | 1                                   | USD 1000            |
| GBP-I HDG | GBP 150 000            | 1                                   | GBP 1000            |
| GBP-I HDG | GBP 10 000 000*        | 1                                   | GBP 1000            |
| CHF-I HDG | CHF 150 000            | 1                                   | CHF 1000            |
| CHF-L HDG | CHF 10 000 000*        | 1                                   | CHF 1000            |
| EUR-S     | EUR 1 000              | 1                                   | EUR 1000            |
| EUR-E     | EUR 10 000             | 1                                   | EUR 1000            |
| EUR-R     | EUR 1 000              | 1                                   | EUR 1000            |
| EUR-A     | EUR 1 000              | 1                                   | EUR 1000            |
| EUR-A DIS | EUR 1 000              | 1                                   | EUR 1000            |

\* The Management Company reserves the right to accept subscriptions lower than the initial minimum amount, in particular for the activation of the Class..

### d) Payment of subscriptions

The subscription price of each share is payable within the time limit specified below:

|   |  |
|---|--|
| LAFFITTE FUNDS – LAFFITTE RISK<br>ARBITRAGE UCITS | within 2 business days after the applicable<br>Valuation Day |
| LAFFITTE FUNDS – LAFFITTE ESG DIVIDEND            | within 2 business days after the applicable<br>Valuation Day |

The share subscription amount will be applied in the currency in which the net asset value per share is calculated in the relevant sub-fund/class and without any subscription fee.

The Board of Directors reserves the right to postpone subscription requests if there is no certainty that the relevant payment will reach the Depositary by the stipulated deadline.

If a payment in connection with a subscription request is received after the expiry of the applicable deadline, the Board of Directors or its agent may process said request, (i) either by applying an increase taking account in particular of the interest due on the basis of current market rates, (ii) or by cancelling the allocation of the shares and, if applicable, requesting compensation for any loss resulting from such failure to make payment before the expiry of the stipulated deadline. In the event of non-payment, the subscription request may be considered void and cancelled.

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The SICAV may also accept subscriptions by means of a contribution of an existing portfolio, provided that the securities and the assets of this portfolio are compatible with the investment policy and restrictions applicable to the sub-fund in question. For all securities and assets accepted in payment of a subscription, a report will be prepared by the auditor of the enterprises of the SICAV in accordance with the provisions of Article 26-1 of the Luxembourg Law of 10 August 1915 concerning commercial companies and its modifying laws. Unless decided to the contrary by the Board of Directors, the cost of this report will be borne by the investor in question.

### e) Suspension and rejection of subscription

The SICAV's Board of Directors may suspend or interrupt at any time the issuance of the shares of a sub-fund of the SICAV. It may do so in particular in the circumstances described in chapter V, "Net Asset Value of the Shares" section 2 "Suspension of the calculation of the Net Asset Value and the issue, redemption and conversion of shares". Furthermore, it may at its sole discretion and without having to justify its decision:

- a. reject all or part of a share subscription request,
- b. redeem at any time shares held by persons that are not allowed to buy or own shares in the SICAV.

When the Board of Directors decides to resume issuing shares in a sub-fund after having suspended their issuance for any period, all pending subscriptions will be executed on the basis of the same net asset value as that of the Valuation Day when calculation is resumed.

### f) Combatting late trading and market timing

The Transfer Agent and Registrar of the SICAV will ensure that adequate procedures are put in place to ensure that subscription, redemption and conversion requests are received before the cut-off time for the applicable Valuation Day.

The SICAV will not allow either Late Trading and Market Timing practices, as defined in CSSF circular 04/146, or active trading and excessive trading practices (hereinafter "Active Trading"), defined as share subscription/redemption/conversion transactions in the same sub-fund carried out over a short period of time and possibly for significant amounts, with the aim of achieving short-term profits. Both Active Trading and Market Timing practices are detrimental to the other shareholders since they affect the sub-fund's performance and disrupt asset management.

The Board of Directors reserves the right to reject all subscription and conversion orders that it suspects relate to Active Trading or Market Timing. The Board of Directors may take all necessary steps to protect the SICAV's other shareholders where such practices are suspected, bearing in mind that in such a case the exiting shareholder will receive prior notification and may therefore withdraw the redemption request.

### g) Combating money laundering and terrorist financing

As part of the fight against money laundering and terrorist financing, the SICAV will apply relevant national and international measures which require subscribers to prove their identity to the SICAV. Accordingly, in order for subscriptions to be considered valid and acceptable by the SICAV, subscribers must enclose with the application form:

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- in the case of a *natural person*, a copy of an identity document (passport or ID card), or,
- in the case of a *legal entity*, a copy of their corporate documents (such as the coordinated Articles of Association, published financial statements, extract from the trade and companies register, list of authorised signatures, list of shareholders owning 25% or more of the capital or voting rights, etc.) and identity documents (passport or ID card) of their beneficial owners and persons authorised to give instructions to the Transfer Agent and Registrar.

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

This is an absolute obligation, except in the following circumstances:

- the application form is transmitted to the SICAV by one of its distributors located (i) in one of the member countries of the European Union, the European Economic Area, or a third country laying down equivalent requirements within the meaning of the Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended, or (ii) by a subsidiary or branch of its distributors located in another country, if the parent company of said subsidiary or branch is located in one of these countries and if either the laws and regulations of said country or the internal rules of the parent company guarantee the application of the rules on the prevention of money laundering and terrorist financing with regard to said subsidiary or branch.
- the application form is sent directly to the SICAV and the subscription is settled either by a bank transfer originated by a financial institution established in one of said countries,

However, the Board of Directors must obtain a copy of the identification documents described above, and upon first request, from its distributors or directly from the investor.

Before accepting a subscription, the SICAV may conduct further investigations in accordance with national and international measures in force with regard to the fight against money laundering and terrorist financing.

#### **4. REDEMPTION OF SHARES**

Pursuant to the Articles of Association and subject to the following provisions, all shareholders are entitled, at any time, to request the SICAV to redeem their shares. The shares redeemed by the SICAV will be cancelled.

Shareholders that want all or part of their shares to be redeemed by the SICAV must submit an irrevocable request in writing to the SICAV or the Transfer Agent and Registrar. This request must contain the following information: the identity and exact address of the person making the redemption request, together with a fax number, the number of shares to be redeemed, the sub-fund and class (if applicable) of the shares in question, information as to whether they are registered shares or held in account, accumulation or distribution shares if applicable, the name in which the shares are registered, the name and bank details of the person to whom payment is to be made.

The redemption request must be accompanied by the documents needed to execute the transfer before the redemption price can be disbursed.

All shares presented for redemption to the Transfer Agent and Registrar within the time limit specified below will be processed, if they are accepted, on the basis of the net asset value per share of the relevant sub-fund and class, as determined on that Valuation Day. Redemption requests received after this deadline will be processed on the following Valuation Day.

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|   |   |
|---|---|
| LAFFITTE FUNDS - LAFFITTE RISK<br>ARBITRAGE UCITS | no later than 11:00 (Luxembourg time) a business day before the Valuation Day |
| LAFFITTE FUNDS - LAFFITTE ESG<br>DIVIDEND         | no later than 11:00 (Luxembourg time) a business day before the Valuation Day |

The payment of the price for the redeemed shares will be made within the timeframes described below, provided that all of the documents attesting to the redemption have been received by the SICAV.

|   |  |
|---|--|
| LAFFITTE FUNDS - LAFFITTE RISK<br>ARBITRAGE UCITS | within 2 working days following the applicable Valuation Day |
| LAFFITTE FUNDS - LAFFITTE ESG<br>DIVIDEND         | within 2 working days following the applicable Valuation Day |

Payment will be made in the currency in which the net asset value of the sub-fund/share class in question is calculated or in another currency in accordance with the instructions specified in the redemption request, it being understood that any currency conversion charges will be borne by the shareholder.

The redemption price of shares in the SICAV may be higher or lower than the purchase price paid by the shareholder when subscribing to the shares, depending on whether the net value has increased or decreased.

No shares will be redeemed in a given sub-fund throughout the period during which the calculation of the net asset value of said sub-fund's shares has been temporarily suspended by the SICAV pursuant to the powers conferred on it by Article 14 of the Articles of Association. In the event of a large volume of redemption requests representing more than 10% of the net assets of a given sub-fund, the SICAV reserves the right to postpone the redemption requests in excess of 10% until the next Valuation Day.

On the next Valuation Day, or the next Valuation Days until the original requests have been fully processed, postponed requests will be processed first.

### **5. CONVERSION OF SHARES**

Pursuant to the Articles of Association and subject to the following provisions, all shareholders may request the conversion of all or part of their shares into shares of another sub-fund or another class/category (and within such other sub-fund, either of the same class/category, or of another class/category), at a price based on the respective net asset values of the shares of the sub-funds and classes/categories in question.

Shareholders wishing to convert shares in this way may submit a written request to the Transfer Agent and Registrar, specifying the amount to be converted and the form of the shares to be converted, and also indicating whether the shares of the new sub-fund/new class/category need to be registered or held in account.

The procedure and notice period applying to share redemptions also apply to share conversions.

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The number of shares allocated in the new sub-fund/new class/category will be established using the following formula:

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

E

A: represents the number of shares to be allocated in the new sub-fund or new class/category,

B: represents the amount to be converted in the initial sub-fund or class/category,

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

D: is the foreign exchange coefficient on the applicable Valuation Day between the currencies of the two sub-funds or class/categories in question. If sub-funds or class/categories are kept in the same currency, the coefficient equals 1,

E: represents the net asset value, on the applicable Valuation Day, of the shares to be allocated in the new sub-fund or new class/category.

After conversion, the Transfer Agent and Registrar will inform the shareholders of the number of new shares obtained as a result of the conversion, and their price.

No share conversions will be executed throughout the period during which the calculation of the net asset value of the shares in question has been temporarily suspended by the SICAV pursuant to the powers conferred on it by Article 14 of the Articles of Association. In the event of a large volume of conversion requests to another sub-fund representing more than 10% of the net assets of a given sub-fund, the SICAV reserves the right to postpone the conversion requests in excess of 10% until the next Valuation Day. On the next Valuation Day, or the next Valuation Days until the original requests have been fully processed, postponed requests will be processed first.

**V. NET ASSET VALUE OF THE SHARES**

1. DEFINITION AND CALCULATION OF THE NET ASSET VALUE

The net asset value per share of each sub-fund and, if applicable, of each class/category of shares of the SICAV is calculated in Luxembourg by the Central Administrative Agent under the responsibility of the SICAV's Board of Directors.

The net asset value is determined on each Valuation Day and calculated on the following business day as defined below for each sub-fund and/or each class and/or each category on the basis of the known prices on the said Valuation Day, as published by the relevant stock exchanges and by reference to the value of the assets held on behalf of the sub-fund in question in accordance with Article 13 of the SICAV's Articles of Association. The Valuation Day is defined as the full Business Day in Luxembourg on which the net value is determined.

If this day is not a Business Day, the calculation will be done on the next Business Day.

The Calculation Day is the Business Day following the Valuation Day on which the net asset value is calculated and published.

|   |  |
|---|--|
| LAFFITTE FUNDS - LAFFITTE RISK<br>ARBITRAGE UCITS | A net asset value corresponds to each Working<br>Day (hereinafter, the "Valuation Day"). |
| LAFFITTE FUNDS - LAFFITTE ESG<br>DIVIDEND         | A net asset value corresponds to each Working<br>Day (hereinafter, the "Valuation Day"). |

The value of the shares of each sub-fund, class and category of shares is obtained by dividing the net asset value of the assets of the sub-fund, class and category, as the case may be, by the number of shares in circulation for these sub-funds, classes and categories, as the case may be.

The Board of Directors will establish a distinct pool of net holdings for each sub-fund. In relations between shareholders and with regard to third parties, this pool will be allocated only to shares issued under the sub-fund in question, taking into account, if necessary, the breakdown of this pool between the categories and/or classes of shares and in accordance with the provisions of the Articles of Association.

In order to establish these various pools of net holdings:

1. if two or more classes/categories of shares belong to a specific sub-fund, the assets allocated to the said classes and/or categories will be invested together in accordance with the investment policy of the sub-fund in question subject to the specific characteristics of said classes and/or categories of shares;
2. the proceeds from the issue of shares of a class and/or category of shares of a given sub-fund will be allocated in the SICAV's books to said class and/or category of the sub-fund in question, it being understood that, if several classes and/or categories of shares are issued in respect of the sub-fund, the corresponding amount will increase the proportion of the net assets of said sub-fund attributable to the class and/or category of shares to be issued;



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3. the assets, liabilities, income and expenses relating to said sub-funds/class and/or category, will be allocated to said sub-fund/class and/or category;
4. where an asset derives from another asset, this asset will be allocated, in the SICAV's books, to the same sub-fund to which the assets from which it derives belongs and, whenever an asset is revalued, the increase or decrease in value will be allocated to the corresponding sub-fund;
5. where the SICAV incurs a liability attributable to an asset of a specific sub-fund or to a transaction carried out in respect of an asset of a specific sub-fund, said liability will be allocated to the sub-fund in question;
6. if an asset or liability of the SICAV cannot be allocated to a specific sub-fund, said asset or liability will be allocated to all the sub-funds in proportion to the net asset value of the classes and/or categories of shares in question or in any other way determined by the Board of Directors acting in good faith;
7. following the payment of dividends to distribution shares of a given class and/or category, the net asset value of said class and/or category attributable to said distribution shares will be reduced by the amount of said dividends.

The assets of each sub-fund of the SICAV will be valued in accordance with the following principles:

1. UCI shares/units will be valued on the basis of their last official net asset value on the Valuation Day, or unofficial net asset value if the date thereof is more recent (on the basis in such a case of a probable net asset value, determined prudently and in good faith by the Board of Directors, or using other sources such as information provided by the manager of the UCI in question);
2. cash in hand and on deposit, notes and bills payable at sight and accounts receivable, prepaid expenses and dividends and interest due but not yet collected shall be valued at the face value of those assets, except where it appears unlikely that this value can be collected. In the latter case, the value will be determined by deducting an amount deemed adequate in order to reflect the real value of such assets;
3. transferable securities (i) listed on or traded on a regulated market within the meaning of the Law of 2010 or (ii) traded on another regulated market in an EU Member State which operates regularly and is recognised and open to the public or (iii) admitted to an official listing on a stock exchange of a non-EU Member State or traded on another market in a non-EU Member State which operates regularly and is recognised and open to the public (the three types of market can also be considered as a "Regulated Market"), are valued on the basis of the last known closing price on the Valuation Day and if these securities are traded on several markets, on the basis of the last known closing price on the main market of said securities on the Valuation Day. If the last known closing price on a given Valuation Day is not representative, the valuation will be based on the probable market value determined with prudence and in good faith;
4. transferable securities not listed or not dealt in on a regulated market will be valued on the basis of the probable market value determined with prudence and in good faith;
5. the liquidation value of futures and options contracts not traded on regulated markets will be equal to their net liquidation value determined in accordance with the policies established by the Board of Directors, on

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a basis applied consistently to each type of contract. The liquidation value of futures and options contracts traded on regulated markets will be based on the last available settlement price of such contracts on the regulated markets on which these futures or options contracts are traded by the SICAV; If the last known closing price on the Valuation Day is not representative, the securities will be valued on the basis of the probable sales price estimated prudently and in good faith.

6. interest rate swaps will be valued at their market value established by reference to the applicable interest rate curve. Swaps on indices and financial instruments will be valued at their market value established by reference to the relevant index or financial instrument. The swap contracts associated with such indices or financial instruments shall be valued on the basis of the market value of those swaps in accordance with procedures laid down by the Board of Directors;

7. if possible in practice, liquid assets, money market instruments and all other instruments may be valued at the last known closing price on the Valuation Day or in accordance with the straight-line amortisation method. In the event of straight-line amortisation, portfolio positions are reviewed on a regular basis under the supervision of the Board of Directors in order to determine whether there is a difference between the valuation using the last known closing price method and the straight-line amortisation method. If there is a difference that might result in a significant dilution or might prejudice the interests of shareholders, appropriate corrective measures may be taken, including, if necessary, calculating the net asset value using the last known closing prices;

8. the value of contracts for difference will be determined by reference to the market value of the underlying asset, taking into account the costs inherent in the transaction (i.e. borrowing cost, remuneration of the collateral or the funding cost of the counterparty as the case may be);

9. securities denominated in a currency other than the reference currency of the sub-fund or class of shares in question will be converted at the exchange rate prevailing on the Valuation Day. If exchange rates are not available, they shall be determined prudently and in good faith in accordance with procedures laid down by the Board of Directors;

10. all other assets are valued on the basis of their probable market value, which must be estimated prudently and in good faith;

11. the Board of Directors may, at its discretion, authorise the use of another valuation method if it considers that such a valuation more accurately reflects the fair value of an asset held by the SICAV.

Appropriate deductions will be made for the expenses to be borne by the SICAV and the SICAV's liabilities will be taken into account in accordance with fair and prudent criteria. Adequate provisions will be created for that purpose.

### 2. SUSPENSION OF THE CALCULATION OF THE NET ASSET VALUE AND THE ISSUE, REDEMPTION AND CONVERSION OF SHARES

The Board of Directors is authorised to temporarily suspend the calculation of the net asset value of one or more sub-funds of the SICAV, as well as the issue, redemption and conversion of the shares of said sub-fund(s) in the following circumstances:

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- a) where the net asset value of the shares or units of the underlying UCIs representing a substantial proportion of the sub-fund's investments cannot be determined;
- b) during all or part of a period during which one of the main stock exchanges or one of the main regulated markets on which a substantial part of the portfolio of one or more sub-funds is listed or traded, is closed for a reason other than ordinary holidays or during which transactions are restricted or suspended;
- c) where the SICAV cannot dispose normally of the investments of one or more sub-funds or value them or cannot do so without seriously compromising the interests of its shareholders;
- d) where the means of communication needed to determine the price or value of the assets of one or more sub-funds are inoperative or if, for any other reason, the value of the assets of one or more sub-funds cannot be determined;
- e) where investments or the transfer of funds involved in such investments cannot be executed at normal prices or exchange rates, or where the SICAV is unable to repatriate funds in order to make payments on the redemption of shares;
- f) where the Board of Directors so decides, subject to compliance with the principle of equal treatment of shareholders and in accordance with applicable laws and regulations, (i) once an Extraordinary General Meeting of Shareholders of the SICAV has been convened with a view to deciding on the liquidation of the SICAV or a sub-fund, or (ii) where the Board of Directors is empowered to do so, once it has decided to liquidate a sub-fund;
- g) and in all cases where the Board of Directors considers by a reasoned resolution that such a suspension is necessary to protect the general interests of the shareholders concerned.

Subscribers and shareholders requesting the redemption or conversion of their shares will be advised of the suspension of the calculation of the net asset value.

Pending subscription and redemption requests may be withdrawn by written notice provided that such notification is received by the SICAV before the suspension is lifted. In the event of a large volume of redemption and/or conversion requests representing more than 10% of the net assets of a given sub-fund, the SICAV reserves the right in such a case to redeem shares only at the redemption price as determined once it has been able to sell the necessary assets as quickly as possible taking into account the interest of the sub-fund's shareholders as a whole, and once it has received the proceeds of such asset sales.

Pending subscription, redemption and/or conversion requests will be taken into account on the first Valuation Day following the lifting of the suspension.

**VI.**

**DISTRIBUTIONS**

On the date of the Prospectus, only the accumulation shares will be issued and, accordingly, the income on shares will be capitalised and their value is reflected in the net asset value per share.

In the event of the Board of Directors deciding to issue distribution shares, the following provisions will apply.

1. DIVIDEND POLICY

At the Annual General Meeting, the SICAV's shareholders will determine, on a proposal from the Board of Directors, the amount of cash dividends to be paid in respect of the distribution shares of the relevant sub-funds or of shares, in accordance with the limits laid down in the Law of 2010 and the Articles of Association. Accordingly, the amounts distributed may not result in the SICAV's capital falling below the minimum capital level of EUR 1,250,000.

The Board of Directors may decide, for each sub-fund and each class of shares, as applicable, to distribute interim cash dividends to the distribution shares, in compliance with applicable legal provisions.

2. PAYMENT

Dividends and interim dividends allocated to the distribution shares will be paid on the dates and at the places determined by the Board of Directors.

Any dividend declared by the SICAV that has not been claimed by its beneficiary within five years of being attributed may no longer be claimed and will revert to the relevant sub-fund or class of shares. No interest will be paid on a dividend declared by the SICAV and held by it at the disposal of its beneficiary.

## **VII. TAXATION**

### **1. TAX TREATMENT OF THE SICAV**

The SICAV is subject in Luxembourg to an annual tax corresponding to 0.05% of its net assets; this tax is reduced to 0.01% per annum of the net assets attributable to the share classes reserved for institutional investors. This tax is payable quarterly and the taxable base consists of the SICAV's net assets at the end of the quarter in question. This subscription tax is not payable in respect of the proportions of assets invested in UCIs already subject to this tax. No stamp duty or other tax will be payable in Luxembourg on the issue of shares in the SICAV.

No tax is payable in Luxembourg in respect of realized or unrealized capital gains on the SICAV's assets. The investment income received by the SICAV may be subject to withholding tax at variable rates in the countries concerned. In principle such withholding tax cannot be recovered. The above information is based on current laws and practices and may be subject to change.

### **2. TAX TREATMENT OF SHAREHOLDERS**

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

The Directive stipulates that from 1 July 2005, paying agents (within the meaning of the Directive) established in an EU Member State (or in certain dependent or associated territories of Member States) that make interest payments to natural persons (or to residual entities within the meaning of the Directive) residing in another Member State, will be required, depending on their country of establishment, to communicate information on payments and beneficiaries to the tax authorities or to withhold tax at source. Where such a payment is subject to withholding tax, the beneficiary can avoid such withholding tax by transmitting a certificate of exemption or an authorisation to exchange information, depending on the options proposed by the paying agent and its country of establishment.

In accordance with the provisions of the Directive, dividend payments made by a sub-fund of the SICAV will be subject to 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 SICAV when redeeming shares of a sub-fund (or any transaction treated as a redemption) will be subject to the Directive if more than 25% of the sub-fund's net assets are invested in such debt claims.

When payments are subject to withholding tax, this tax will be levied in principle, provided that the paying agent has this information, on the interest income component of the payment within the meaning of the Directive. The withholding tax rate will be 35% until the end of the transition period (as defined in the Directive) insofar as the paying agent has the necessary information on the proportion of interest received in the distribution or redemption.

The Directive was enacted into Luxembourg law by the Law of 21 June 2005 as amended by the Law of 25 November 2014.

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The above-mentioned procedures are based on current laws and practices and may be subject to change.

The SICAV advises potential shareholders to make inquiries and, if necessary, to take advice on laws and regulations governing the subscription, redemption, holding and sale of shares in their country of origin, residence or domicile.

In general, FATCA provisions state that direct or indirect US shareholders in non-US entities must be declared to the US Internal Revenue Service. Failure to provide the requested information will result in the withholding of 30% of certain types of revenue from the USA (including dividends and interest) and from the sale or disposal by any means of goods that could generate dividends or interest from the USA. The aforementioned procedures are based on current laws and practices and may be subject to change. Prospective investors are encouraged to seek out information in their country of origin and place of residence or domicile regarding the tax consequences associated with their investment. Investors' attention is also drawn to certain specific tax provisions in each country in which the company markets its shares to the public.

**VIII. COSTS AND EXPENSES**

**1. THE SICAV'S MAIN COSTS AND EXPENSES**

**a) Preliminary expenses**

The expenses in respect of setting up and launching the SICAV are estimated at EUR 50,000 and will be amortised over the first five financial years. In the event of the creation of a new sub-fund during this five-year period, the said sub-fund will bear the formation expenses of the SICAV that have not yet been amortised in proportion to its net assets. During this five-year period, in return, the formation expenses of this new sub-fund will also be borne by the other sub-funds in proportion to the net assets of all the sub-funds. After this five-year period, the costs specifically related to the establishment of a new sub-fund will be fully amortised as soon as they are recognised in the sub-fund's assets.

**b) Management and performance fees**

**1) The Management Company's fee**

In consideration for its management services, the Management Company receives an annual fee in its favour from the SICAV, calculated at the following rates:

| Sub-fund                                       | Shares Classes                         | Rates*        |
|--|--|---------------|
| LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS | EUR-A, EUR-A DIS                       | 2% TTC p.a.   |
|  | EUR-S                                  | 0,2% TTC p.a. |
|  | EUR-I, EUR-I DIS                       | 1,4% TTC p.a. |
|  | USD-I HDG, GBP-I HDG, CHF-I HDG        | 1,4% TTC p.a. |
|  | EUR-L, USD-L HDG, GBP-L HDG, CHF-L HDG | 0,7% TTC p.a. |
| LAFFITTE FUNDS – LAFFITTE ESG DIVIDEND         | EUR-R, EUR-R DIS                       | 1,8% TTC p.a. |
|  | EUR-S                                  | 0,2% TTC p.a. |
|  | EUR-E                                  | 0,4% TTC p.a. |
|  | EUR-I, EUR-I DIS                       | 0,8% TTC p.a. |

\* This fee is deducted monthly.

**2) Performance fee**

The Management Company will receive, for each class of shares of the LAFFITTE FUNDS – LAFFITTE RISK ARBITRAGE UCITS sub-fund, a performance fee (variable management fees) equals to 20% (shares EUR-A et EUR-A DIS) or to 15% (shares EUR-I, EUR-L, EUR-I DIS, USD-I HDG, USD-L HDG, GBP-I HDG, GBP-L HDG, CHF-I HDG and CHF-L HDG) of the difference between the annual subfund's performance and that of the EONIA, subject to the subfund (free of costs) performing positively and outperforming the EONIA.

The performance fees adhere to the high-water mark principle. The High Water Mark is the highest Net Asset Value reached at the closing of the two previous periods. A performance fee can be only charged if the Net Asset Value at the end of the reporting period is higher than the High Water mark.

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The period of reference is the reporting period of the SICAV. As an exception, the first period started at the sub-fund's inception and closed at the first financial year.

At each net asset value date, the amount of performance fees is calculated and will be subject to provision. In the case of underperformance of the sub-fund between two valuation dates, any prior provision will be re-adjusted. The reversal of a provision amount will be limited to the total amount of the former provisions that cannot be negative in case of a negative sub-fund performance.

In the event of redemptions, the proportion of performance fees is paid to the fund manager upon redemption.

The Management Company will receive, for each class of shares of the LAFFITTE FUNDS – LAFFITTE ESG DIVIDEND sub-fund, a performance fee (variable management fees) equal to 20% (shares EUR-R) or to 15% (shares EUR-I and EUR-E) of the sub-fund performance above the benchmark (MSCI Europe Standard (Net Return)) in euros, dividend reinvested available on Bloomberg (MSDEE15Nindex reference) provided that the annual performance of the sub-fund, net of any fees, is positive.

The period of reference is the reporting period of the SICAV. As an exception, the first period started at the sub-fund's inception and closed at the first financial year.

At each net asset value date, the amount of performance fees is calculated and will be subject to provision. In the case of underperformance of the sub-fund between two valuation dates, any prior provision will be re-adjusted. The reversal of a provision amount will be limited to the total amount of the former provisions that cannot be negative in case of a negative sub-fund performance.

In the event of redemptions, the proportion of performance fees is paid to the fund manager upon redemption.

*The Board of Directors wishes to draw the attention of investors to the fact that this method of calculating the performance fee may give rise to distortions between changes in the net asset values per share of each class compared with the others.*

### **c) Custodian Bank and Paying Agent fees**

In consideration for its custodian services provided to the SICAV, the Depositary will receive from the SICAV a variable annual fee, payable monthly in proportion to the assets of each sub-fund, and calculated on the monthly net assets of the structure at a maximum rate of 0.02% with a minimum of EUR 1,000 per month for the structure. The Depositary will in addition charge transaction fees in connection with the purchase and sale of assets.

### **d) Domiciliary & Corporate Agent, Administrative Agent, Registrar and Transfer Agent fees**

For keeping the accounts and calculating the Net Asset Value (NAV), the Administrative Agent will receive an annual variable fee applied per sub-fund, payable in twelve instalments at the end of each month, and calculated on the end-of-month net assets of the structure at a maximum rate of 0.04% with a minimum of EUR 3.000 per month for the structure.

The Domiciliary Agent will receive a fixed fee applied of EUR 6.000 p.a.



The Registrar and Transfer Agent will charge transaction costs in connection with the purchase and sale of assets.

### **2. OTHER EXPENSES BORNE BY THE SICAV**

The SICAV will bear all its other operating expenses including, but not limited to, formation expenses and those related to any subsequent amendments to its Articles of Association and other deeds of incorporation, fees, costs and expenses payable to paying agents, correspondents of the Depositary and other representatives and employees of the SICAV, as well as to the SICAV's permanent representatives in the countries where it is subject to registration, legal expenses and audit fees for the SICAV's annual financial statements, marketing costs, the cost of printing and publishing share sales documents, the cost of printing annual and interim financial reports, the costs and expenses incurred in holding shareholder meetings and Board meetings, reasonable travel expenses for directors and managers, attendance fees, registration statement expenses, all taxes and duties levied by governmental authorities and stock exchanges, issue and redemption price publication costs and all other operating expenses, including financial and banking charges. Brokerage and research fees and charges incurred in connection with the purchase or sale of assets as well as those applicable in the event of the financial manager participating in a fee sharing agreement. This term refers to the system for paying fees granted to participating brokers by the financial manager, which are then used to pay external research providers. The participating brokers agree to waive the payment of the fees due to research providers in view of the research provided to the financial manager. In this case, the broker retains the balance of the fee in respect of the financial year of the transaction. The various administrative expenses are also met.

The expenses and costs that are not attributable to a specific sub-fund will be allocated to the various sub-funds in proportion to their respective net assets.

**IX. FINANCIAL YEAR – MEETINGS**

**1. FINANCIAL YEAR**

The financial year starts on 1 January and ends on 31 December of each year, with the exception of the first financial year which began on the day of incorporation of the SICAV and will end on 31 December 2017.

**2. MEETINGS**

The Annual General Meeting will be held in Luxembourg, at the SICAV's registered office, or at any other place specified in the notice convening the meeting, at 10:00 on the last Wednesday of April. The first such meeting will be held in 2018.

If this day is not a Business Day in Luxembourg, the General Meeting will be held on the next Business Day.

The notices convening the Annual General Meeting, specifying the date, time, place, conditions of admission, the agenda and the quorum and majority requirements under Luxembourg law will be published and sent in accordance with Luxembourg law.

The shareholders of the class or classes of shares issued in respect of a sub-fund may, at any time, hold General Meetings with a view to deliberating on matters that solely concern the sub-fund in question.

In addition, the shareholders of any class/category of shares may, at any time, hold General Meetings with a view to deliberating on matters that solely concern the class/category in question.

The resolutions adopted at such meetings will apply to the SICAV, sub-fund and/or class/category of shares in question, as applicable.

## **X. DISSOLUTION AND LIQUIDATION OF THE SICAV**

### **1. GENERAL INFORMATION**

The SICAV may be dissolved voluntarily or by a court order.

After its dissolution, the SICAV is deemed to exist for its liquidation. Any voluntary liquidation will continue to be supervised by the CSSF.

The net proceeds of the liquidation of each sub-fund, each class/category of shares will be distributed by the liquidators to the shareholders in proportion to their entitlement to the net assets of the sub-fund or class/category of shares to which these shares belong, in accordance with the provisions of the Articles of Association.

The proceeds of the liquidation which cannot be distributed to their beneficiaries within nine months after the liquidation decision will be deposited with Caisse de Consignation in Luxembourg in favour of their beneficiaries until the end of the limitation period.

### **2. VOLUNTARY LIQUIDATION**

Voluntary liquidation will be carried out in accordance with the Law of 2010 and the Law of 1915 which define the procedure and measures to be taken.

The SICAV may be dissolved at any time by a decision of the General Meeting of Shareholders, by a resolution adopted in accordance with the provisions governing amendments to the Articles of Association.

Moreover, if the capital of the SICAV falls below two-thirds of the minimum capital, i.e. currently EUR 1,250,000, the Board of Directors must submit the question of the dissolution of the SICAV to the General Meeting, for which no quorum will be required, and which will decide by a simple majority of the share present or represented at the meeting. If the capital falls below one quarter of the minimum capital, the Board of Directors must submit the question of the dissolution of the SICAV to the General Meeting, for which no quorum will be required, the dissolution may be decided by the shareholders holding one quarter of the shares present or represented at the meeting. The notice convening the meeting must provide for the meeting to be held within forty days after it has been ascertained that the net assets have fallen below two thirds or one quarter of the minimum capital as applicable.

In the event of the dissolution of the SICAV, the liquidation will be entrusted to one or more liquidators that may be either natural persons or legal entities, approved beforehand by the CSSF and appointed by the General Meeting, which will determine their powers and remuneration.

### **3. COMPULSORY LIQUIDATION**

In the event of compulsory liquidation, this will be accomplished solely in accordance with the Law of 2010 which defines the procedure and measures to be taken.

**XI. LIQUIDATION AND MERGER OF SUB-FUNDS, CLASSES OR CATEGORIES OF SHARES**

The Board of Directors may decide to liquidate a sub-fund, class or category of shares if the net assets of said sub-fund, class or category of shares fall to an amount below which the sub-fund, class or category of shares can no longer be adequately managed, for economic considerations, or if a change in the economic or political situation affects the sub-fund, class or category of shares in question, justifying such liquidation.

The liquidation decision will be notified to the shareholders of the sub-fund, class or the category of shares in question before the effective liquidation date. The notification will specify the reasons for the liquidation and the relevant procedure. Accordingly, the shareholders in question will be informed of the decision and procedure for closing the sub-fund, class or category of shares by publication of a notice to shareholders or in the press.

Unless decided otherwise by the Board of Directors in the interests of the shareholders or to maintain equal treatment between them, holders of shares in the sub-fund, class or category of shares in question may continue to apply for their shares to be redeemed or converted, free of charge, on the basis of the applicable net asset value, due allowance being made for the estimated liquidation expenses. The SICAV will reimburse each shareholder proportionally to the number of shares held in the sub-fund, class or category of shares. The proceeds of the liquidation which cannot be distributed to their beneficiaries within nine months after the decision to liquidate the sub-fund, class or category of shares will be deposited with Caisse de Consignation in Luxembourg in favour of their beneficiaries until the end of the limitation period.

Under the same circumstances as those described above, the Board of Directors may decide to close a sub-fund, class or category of shares by merging it with another sub-fund, class or category of shares of the SICAV, as well as the merger of a sub-fund of the SICAV with a sub-fund of another UCITS under Luxembourg law subject to Part I of the 2010 Law or a foreign UCITS under UCITS Directive V, subject to the conditions of the 2010 Law. Such a merger may also be decided by the Board of Directors if required in the interests of the shareholders of the sub-funds, classes or categories of shares in question. This decision will be published in the same way as that described above. The notice published will contain information on the new sub-fund, new class or new category of shares. The notice will be published at least one month before the effective date of the merger in order to enable shareholders to request the redemption or conversion of their shares, at no charge, before the operation becomes effective. At the end of this period, all the remaining shareholders will be bound by the decision.

Under the same circumstances as those set out above, the Board of Directors is entitled to decide to close a sub-fund, class or category of shares by contribution to another sub-fund or another Luxembourg or foreign undertaking for collective investment in transferable securities compliant with Directive 2009/65/EC of 13 July 2009, a class or category of shares in any such other undertaking for collective investment incorporated under Luxembourg law. Furthermore, the Board of Directors may decide on such a contribution if required in the interests of the shareholders of the sub-fund, class or category of shares in question. This decision will be published in the same way as that described above. The notice published will contain information on this undertaking for collective investment. The notice will be published at least one month before the effective date of the contribution in order to enable shareholders to request the redemption or conversion of their shares, at

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no charge before the transaction of contribution to this undertaking for collective investment becomes effective. At the end of this period, all the remaining shareholders will be bound by the decision.

If the shares have been contributed to an undertaking for collective investment established in the form of a Luxembourg mutual fund, the contribution will only be binding on the shareholders of the sub-fund, class or category of shares in question if the contribution is unanimously approved by a vote of all the shareholders of the sub-fund, class or category of shares in question. If this condition is not fulfilled, only the shareholders having voted in favour of the contribution will be bound by the decision, the remaining shareholders will be deemed to have requested the redemption of their shares.

## **XII. AVAILABLE INFORMATION – DOCUMENTS**

### **1. AVAILABLE INFORMATION**

#### **a) Publication of the net asset value**

The net asset value of each class and/or category of shares of each sub-fund, as well as the issue and redemption prices are published on every Valuation Day at the SICAV's registered office, the net asset value in accordance with Section V of the prospectus being determined on each Valuation Day and calculated on the next business day (i.e. on the calculation day). The Board of Directors may subsequently decide to publish these net asset values in the newspapers of the countries where the SICAV's shares are offered or sold. They may also be obtained from the Management Company.

#### **b) Periodic reports**

The SICAV publishes an annual detailed report of its activity and the management of its holdings, including the consolidated balance statement and the profit and loss statement expressed in Euros, the detailed breakdown of the holdings in each sub-fund and the report of the auditor.

In addition, at the end of each half year, it will publish a report containing, in particular, the composition of the portfolio, the movements in the portfolio during the period, the number of shares in circulation and the number of shares issued and redeemed since the last publication.

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

### **2. DOCUMENTS AVAILABLE TO THE PUBLIC**

#### **a) Available documents**

In addition to the Prospectus, KIIDs, the most recently published annual reports and half-yearly reports of the SICAV, copies of the following documents may be obtained, free of charge, during office hours on any business day from the SICAV's registered office at 5, Allée Scheffer, L-2520 Luxembourg:

- (i)** the Articles of Association,
- (ii)** the framework collective portfolio management agreement concluded between the SICAV and LAFFITTE CAPITAL MANAGEMENT,
- (iii)** the depositary agreement between the SICAV and CACEIS BANK Luxembourg Branch,
- (iv)** the central administrative agreement between the Management Company, CACEIS BANK Luxembourg Branch and the SICAV,
- (v)** the domiciliation agreement between CACEIS BANK Luxembourg Branch and the SICAV,

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Copies of the Prospectus, KIIDs, Articles of Association and the most recent annual and half-yearly reports are also available on the following websites: [www.fundsquare.com](http://www.fundsquare.com) and that of the management company, [www.laffitecapital.com](http://www.laffitecapital.com).

Information on investment complaint handling procedures and a brief description of the strategy established by the Management Company to determine when and how the voting rights attached to the instruments held in the Company's portfolio are available on the Management Company's website: <http://www.laffitecapital.com/obligations-reglementaires.php>.

b) Subscription forms

Subscription forms can be obtained on request from the SICAV's registered office.

c) Official language

The official language of the Prospectus and the Articles of Association is French, it being understood however that the SICAV's Board of Directors, the Depositary, the Administrative Agent, the Domiciliary & Corporate Agent, the Registrar and the Management Company may on their own behalf and on behalf of the SICAV consider it mandatory to translate them into the languages of the countries where the shares of the SICAV are offered and sold. In the event of any inconsistencies between the French text and any other language into which the Prospectus is translated, the French text will prevail.

d) Annual report

A detailed annual report will be published in compliance with regulations in the first quarter of 2018.