



Commission de Surveillance
du Secteur Financier

Sub-Fund Specific Guidance for filling out the sub-fund specific variable items of the Standardised Model Prospectus for UCITS

Sub-Fund Specific Guidance

General

This document provides guidance on supplying information at sub-fund level when using the Model Prospectus.

Practically, the sections of chapter 19. Sub-Fund Specific Information contain variable free text fields (highlighted in turquoise in Model Prospectus) that require completion by the fund initiator to customise and reflect the particularities and characteristics of the contemplated sub-fund projects and/or preferences in respect to corporate or group identity of the fund initiator. Customisation at sub-fund level is particularly important as each sub-fund represents a financial product with individual characteristics in terms of investment objective, investment policy and strategies and classes issued, that must be properly disclosed to investors.

The Sub-Fund Specific Information sections provide a number of variable text fields aiming at defining the main characteristics of each sub-fund. These fields together form a mandatory grid for the provision of the specific characteristics for each sub-fund in a standardised manner. Using this standardised approach eases reading of the investment features by investors, and fosters comparability between investment proposals. This guidance document gives information about the content expected for the sub-fund specific items.

Beyond this guidance, it is useful to have in view the more general considerations below when producing wording that can be easily understood by average retail investors - and support examination by the CSSF:

- before drafting the variable Sub-Fund specific text fields, get acquainted with the entire model document to ensure that the Sub-Fund Specific Information narrative and wording is aligned with the other part of the Prospectus. If full alignment not easily achieved, at least avoid vocabulary in Sub-Fund Specific Information that might be disconnected from the wording in the general part of the Prospectus;
- a good knowledge and understanding of regulatory context and requirements are a prerequisite for adequate drafting of prospectus disclosures;
- concentrate on information necessary for investors to understand capital risks involved with the investment and to make informed investment decisions;
- restrict the use of technical and legalistic language. Where this is unavoidable, consider providing explanations in brackets, footnotes or cross-reference to a glossary;
- prefer short sentences;
- prefer small paragraphs, and bulleted lists rather than long sentences;
- depending on your experience and proficiency in drafting pre-contractual documents, it may be beneficial to consider the assistance of professionals with experience in that work;
- make limited use of colours (in any) as the text may be photocopied or downloaded in black and white. Hence ensure enough contrast between the text and its background – the effect is better if the text is dark and the background pale;
- keep the spacing between lines aligned with the spacing policy of the entire document (sections, paragraphs);

- we recommend document CESR/10-1320 CESR's guide to clear language and layout for the Key Investor Information Document dated 20.12.2010 as a useful reference for further reading in drafting prospectus narratives in plain language for retail investors;
- after completing the draft Prospectus, please ensure extensive comparison between the Prospectus and Articles of Incorporation, structure and operations of Fund to ensure coherence.

Sub-Fund specific guidance

| Sub-Fund specific item | Content guidance |
|-------------------------------------|--|
| <p>Name of the Sub-Fund:</p> | <p>The name of a Sub-Fund is a combination of the name of the Fund and the name of the specific Sub-Fund, separated by a hyphen.</p> <p>The name of the Sub-Fund should be in line with the main investment policy (e.g. the use of the term “balanced” must refer to an investment policy with a balanced mix of assets).</p> <p>Sub-Fund naming is not standardised, nevertheless the following minimum standards should be considered:</p> <ul style="list-style-type: none"> • Metaphorical, allegorical or pictorial references in Sub-Fund names are not accepted if they can lead to a misunderstanding of the investment objective or appear to promise an investment result that cannot be guaranteed; • Names of physical persons are in principle not permitted to be included in Sub-Fund names; • Names of entities that are not regulated by a supervisory authority of the financial sector can only be included in Sub-Fund names if allowed by the supervisor in the home country of the entity; • Using numbers, letters or characters of Sub-Funds to differentiate between a series of sub-funds is only allowed if the particularities of each sub-fund in the series are clearly explained in the Prospectus; • Sub-Fund names must remain easily understandable in all languages where the sub-fund is publicly offered for international distribution; • Abbreviations are only permitted if they do not lead to a risk of misinterpretation, or must be explained - except official abbreviations that are required to be included in Sub-Fund names by European regulation in order to identify and explain specific sub-fund types: e.g. UCITS ETF; • Sub-Fund names, including trademark protected elements, must be flagged accordingly. |
| <p>General Information</p> | <p>This item is optional and distinct from the General Information section in the main part of Prospectus. It enables initiators to provide specific Sub-Fund-related details on the main elements of potential interest for investors (as further detailed in sub-fund specific items). It can be used to draw attention to the main characteristics of the Sub-Fund to help investors take an initial view on whether the investment proposal might meet their needs.</p> <p>The General Information provided for a Sub-Fund may include the following (the list below provides examples only, and is not exhaustive. Select only the information that applies, add any accurate information not shown, and write “n/a” if not used):</p> |

| Sub-Fund specific item | Content guidance |
|---|--|
| | <p>Name of the Sub-Fund Explain the meaning of the Sub-Fund name and information on the Sub-Fund since inception, as well the investment objective at a glance.</p> <p>Type of Sub-Fund To be specified by the initiator i.e. equity / mixed/ fixed income.</p> <p>Initial Subscription period Date of start and end of initial subscription period, or indication that Sub-Fund not yet launched.</p> <p>Size Minimum size at launch or maximum size of the Sub-Fund, indication of soft-closing if any.</p> <p>Duration Indicate either the launch for unlimited period or the maturity date of the Sub-Fund.</p> <p>Stock exchange information Provide information on the stock exchange(s) on which Sub-Fund Classes are traded (e.g. in case of an ETF Sub-Fund).</p> |
| <p>Investment Objective of the Sub-Fund:</p> | <p>If this section is used to give investors a general overview of the Sub-Fund's general investment objective(s) and an indication of the investment policy used to attain the objective(s), the content should remain concise and avoid unnecessary repetition of other sub-fund specific items. The narrative may include information about the investment strategy [e.g.: long, long-short, absolute return, feeder fund investing in a master fund, conservative, dynamic, active, index tracking policy etc], investment horizon [e.g.: long, medium, short term etc], risk diversification, investment focus [e.g.: geographical, sectorial or sustainable investment objectives etc].</p> <p>The investment objective must be presented to the investor in fair, precise, and non-misleading language.</p> <p>Information provided here may include an extract from information given in more detail in other Sub-Fund Specific Information.</p> |
| <p>Investment Policy:</p> | <p>The Model Prospectus and related Sub-Fund specific item guidance should not be used for Sub-Funds contemplating more complex or specific investment strategies.</p> <p><u>Main disclosures:</u></p> <p>Definition of the main investment policy (representing 51% or more of the TNA);</p> <p>Sub-Funds may also opt for auxiliary investment policies. in such cases describe the components of the auxiliary investment policy (including an indication of the proportions/limits of each component targeted);</p> |

| Sub-Fund specific item | Content guidance |
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| | <p>Description of the use of cash and liquidity instruments (the use of these instruments may be occasionally used – i.e. for payment of redemptions). Ancillary liquid assets should be limited to bank deposits at sight, such as cash held in current accounts with a bank accessible at any time, in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under Article 41(1) of the Law of 17 December 2010 relating to undertakings for collective investment (2010 Law), or for a period of time strictly necessary in case of unfavourable market conditions. The holding of such ancillary liquid assets is limited to 20% of the net assets of a UCITS;</p> <p><u>Further guidance:</u> CSSF FAQ on Law of 17 December 2010 – version 3 November 2021. Points 14 – 17</p> <p>Description of the use of derivatives (including purpose and risk disclosures);</p> <p>Description of the use of efficient portfolio management techniques (if any);</p> <p>The description should describe the targeted investment policy or portfolio allocation. The indication of any variation to the investment strategies or portfolio allocations that are optional or conditional requires that investors are provided with an information on the events and conditions (market events or circumstances) that will trigger the variations.</p> <p><u>Assets-related specific disclosures:</u></p> <p>Equity funds: Definition of the eligible shares, including sectorial criteria, regional criteria, ADR / GDR permitted in compliance with Article 41 a)-d) of the 2010 Law (if ADR / GDR with embedded derivatives, underlying must be compliant with Article 41 a)-d) of the 2010 Law);</p> <p>Fixed income funds: Definition of the eligible bonds, including a differentiation between government vs corporate bonds, regional criteria, rating criteria, and any other selection criteria</p> <p>Balanced funds: Definition of the eligible shares and bonds, including sectorial criteria, regional criteria, other selection criteria and differentiation between government vs corporate bonds, regional criteria, rating criteria and any other selection criteria.</p> <p>Fund of funds: Definition of the criteria used to select the funds targeted as potential investments. Exclusion of alternative funds from the potential investments. ETF only admissible if they are UCITS.</p> |

| Sub-Fund specific item | Content guidance |
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| | <p>A Sub-Fund that invests a substantial proportion of its assets in other UCITS and/or other UCIs shall disclose in its Sub-Fund Specific Information the maximum level of the management fees that may be charged both to the UCITS itself and to the other UCITS and/or other UCIs in which it intends to invest. In its annual report it shall indicate the maximum proportion of management fees charged both to the Sub-Fund itself and to the UCITS and/or other UCIs in which it invests.</p> <p>Feeder funds: In the case of a Sub-Fund that qualifies as a feeder fund, the section should contain:</p> <ul style="list-style-type: none"> • a declaration that the feeder Sub-Fund is a feeder of a particular master UCITS (providing the name) and, as such, permanently invests 85% or more of its assets in shares / units of that master UCITS; • the investment objective and policy, including the risk profile and whether the performance of the feeder Sub-Fund and the master UCITS are identical, or to what extent and for which reasons they differ, including a description of investment made; • a brief description of the master UCITS, its organisation, its investment objective and policy, including the risk profile, and an indication of how the prospectus of the master UCITS may be obtained; • a summary of the agreement entered into between the feeder Sub-Fund and the master UCITS or of the internal conduct of business rules; • how the shareholders may obtain, free of charge, further information on the master UCITS and the agreement entered into between the feeder Sub-Fund and the master UCITS; • a description of all remuneration or reimbursement of costs payable by the feeder Sub-Fund by virtue of its investment in shares / units of the master UCITS, as well as of the aggregate charges of the feeder Sub-Fund and the master UCITS; • a description of the tax implications of the investment into the master UCITS for the feeder Sub-Fund; • if the feeder Sub-Fund plans to invest only the minimum of 85% into a master UCITS, a clear description of how the remaining 15% of its assets will be invested. <p>Sustainability-related Sub-Fund specific disclosures</p> <p>For the purposes of sub-fund specific pre-contractual disclosures, distinction must be made between Sub-Funds which promote environmental or social characteristics and Sub-Funds (subject to Article 8 under Regulation (EU) 2019/2088 (“SFDR”) which have as an objective a positive impact on the environment and society. As a consequence, Sub-Funds that promote environmental or social characteristics should disclose whether and how the designated index, sustainability index or mainstream index, are aligned with those characteristics and, where no benchmark is used, should provide information on how the sustainability characteristics of the financial products are met.</p> |

| Sub-Fund specific item | Content guidance |
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| | <p>As regards Sub-Funds which have as an objective a positive impact on the environment and society (subject to Article 9 SFDR), the Sub-Fund should disclose at sub-fund level which sustainable benchmark they use to measure the sustainable performance and, where no benchmark is used, explain how the sustainable objective is met.</p> <p>Sub-Funds that are neither subject to Article 8 nor 9 SFDR:</p> <p>The sub-fund disclosures shall include descriptions of the manner in which sustainability risks are integrated into their investment decisions (internal operational framework, methodology, systems); and the results of the assessment of the likely impacts of sustainability risks on the returns of the financial products they make available.</p> <p>Where sustainability risks of a Sub-Fund are deemed not to be relevant, the descriptions shall include a clear and concise explanation of the reasons why they are not relevant.</p> <p>Sub-Fund disclosures to investors shall be accompanied by the following mandatory statement that “The investments underlying this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities”. This disclosure must be prominent to allow investors to clearly identify any sub-funds for which the statement is applicable.</p> <p>Article 8 SFDR:</p> <p>Where a financial product promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices, the information to be disclosed in the Prospectus shall include the following:</p> <ul style="list-style-type: none"> (a) information on how those characteristics are met; (b) if an index has been designated as a reference benchmark, information on whether and how this index is consistent with those characteristics, and where the methodology used for the calculation of the index is to be found. <p>Where such sub-funds invest in an economic activity that contributes to an environmental objective, climate change mitigation and/or climate change adaptation as set out in Article 9, 10 and 11 TR, it must give details on the environmental objective(s). It must also provide a description of how and to what extent the investment underlying the Sub-Funds are taxonomy-aligned (criteria of Article 3 TR fulfilled). This description shall be fair, clear and informative for investors, including in respect to possible transitional considerations, constraints or proportion of investments in targeted taxonomy-aligned investments.</p> <p>When investing in taxonomy-aligned environmentally sustainable investments alongside remaining investments which are neither aligned with environmental or social characteristics, nor qualified as sustainable investments, the following mandatory statements must be included:</p> |

| Sub-Fund specific item | Content guidance |
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| | <p>“The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities.” and “The investments underlying the remaining portion of the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.”</p> <p>A9 SFDR:</p> <p>Where a Sub-Fund has sustainable investment as its objective and an index has been designated as a reference benchmark, the following information must be disclosed:</p> <p>(a) information on how the designated index is aligned with that objective;</p> <p>(b) an explanation as to why and how the designated index aligned with that objective differs from a broad market index.</p> <p>Where a financial product has sustainable investment as its objective, and no index has been designated as a reference benchmark, information shall be disclosed in the Prospectus how that objective is to be attained.</p> <p>Where a financial product has a reduction in carbon emissions as its objective, the information to be disclosed in the Prospectus shall include the objective of low carbon emission exposure in view of achieving the long- term global warming objectives of the Paris Agreement.</p> <p>Where no EU Climate Transition Benchmark or EU Paris-aligned Benchmark in accordance with Regulation (EU) 2016/1011 of the European Parliament and of the Council is available, the information in the Prospectus shall include a detailed explanation of how the continued effort of attaining the objective of reducing carbon emissions is ensured in view of achieving the long-term global warming objectives of the Paris Agreement.</p> <p>Information on where the methodology used for the calculation of the indices and the benchmarks must be provided.</p> <p>The information disclosed in the Prospectus pursuant to SFDR and TR shall be aligned with, and not contradict, marketing communications of the Sub-Fund.</p> <p>Where such Sub-Funds disclose investing in an economic activity that contributes to an environmental objective, climate change mitigation and/or climate change adaptation as set out in Article 9, 10 and 11 TR, the disclosure must provide information on the environmental objective(s) and provide a description of how and to what extent the investment underlying the Sub-Funds are taxonomy-aligned (criteria of Article 3 TR fulfilled). This description must be fair, clear and informative for investors, including in respect to possible transitional considerations, constraints or proportion of investments in targeted taxonomy-aligned investments.</p> <p>As from 1 January 2023 the SFDR Level 2 pre-contractual standardised templates (according to Annexes II and III has to be completed, a reference to these templates shall be made.</p> |

| Sub-Fund specific item | Content guidance |
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| <p>Investor Profile</p> | <p>This item should give detail on the profile of the targeted investors, the investment horizon or recommended holding period, and its interest for investors.</p> <p>Example:</p> <p>The Sub-Fund is intended for investors who:</p> <ul style="list-style-type: none"> • seek both capital security and liquidity of assets; • seek capital appreciation over the long term; and • accept the risks associated with this type of investment <p>and/or</p> <p>The recommended investment horizon is [indication of recommended minimum holding period].</p> |
| <p>The use of financial derivatives instruments, efficient portfolio management techniques, Total Return Swaps</p> | <p>This item shall provide:</p> <ul style="list-style-type: none"> • an indication whether derivatives are used or not; • information on the purpose of use of derivatives [for hedging purposes and/or for the purpose of efficient portfolio management and/or for investment strategy purposes]; • an indication on type of these derivatives if derivatives used for hedging purposes or investment strategy purposes; • cross-references to more detailed information available in the general part of the Prospectus on risks, costs and applicable collateral and haircut policy. <p>Sub-Funds which intend to use securities financing transactions (securities lending, repo, reverse repo, TRS) should clearly refer to this fact and include a description of all the following elements in the item:</p> <ul style="list-style-type: none"> (i) a general description and definition of the SFTs and TRS the Sub-Fund is authorised to use; (ii) how (if applicable) these SFTs and TRS could increase the Sub-Fund's overall risk profile; (iii) a clear indication, for each sub-fund, whether SFTs and TRS are used or not; (iv) an indication as to whether SFTs will be used on a continuous or temporary basis, or if the use depends on market conditions. In the latter case, an indication of market conditions or circumstances under which it intends to have recourse to those techniques and instruments; (v) a justification for their use, in particular relating to the investment objectives of each sub-fund; (vi) a description of the potential material conflicts of interest which may arise in connection with the provision of services and SFT activities and whose existence may be detrimental to the interests of the UCITS. Use of Securities Financing Transactions by UCITS indicate that SFTs concluded with, or involving, related parties give rise to conflicts of interest and must be presented in an appropriate manner. |

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| | <p>(vii) an explanation of the rationale/objectives and impact of using those SFTs including, if relevant, the contribution to the investment strategy and whether SFTs could be used to generate additional capital or income through the transaction itself or through the reinvestment of the cash collateral in accordance with UCITS provisions.</p> <p>Disclosure should include the types of assets that can be subject to SFTs and TRS, and the expected and maximum proportion of NAV (not in relation to the gross value of the inventory or portfolio) that can be subject to SFTs and TRS.</p> <p>Disclosing the expected and maximum proportion should for instance, consider the following:</p> <ul style="list-style-type: none"> • not a global %, but a precise proportion for each SFT used; • the range should not be unduly large; • higher proportions must be explained and justified; • if a UCITS does not intend to use a given SFT (as in the past); the prospectus should clearly state this fact; • sub-funds using TRSs should also specify the "funded" or "unfunded" nature of the TRS. <p>The disclosure must explain the risks linked to each individual SFT and the risks linked to related collateral management, thereby covering at a minimum operational, liquidity, counterparty, custody and legal risks and, where applicable, the risks arising from its re-use. If the SFTs expose the Fund to other risks, these should be dealt with in this description.</p> <p>This risk description should provide information on the potential impacts these risks might have on the Fund and its related performance.</p> <p>Revenue sharing policy: The Fund/Sub-Fund must present, in its prospectus, the percentage of gross revenues generated by the use of an SFT, on the basis of arm's length transactions, which is its due. Example: If for the securities lending, the direct and indirect costs paid to the lending agent represent 8% of the gross revenues received, the prospectus must indicate that the Fund/Sub-Fund receives the remaining 92% as well as a breakdown of the overall percentage of direct and indirect fees/costs between the service providers with an indication of the category of service provided.</p> <p><u>Further guidance for efficient portfolio management techniques:</u> CSSF FAQ on Use of Securities Financing Transactions by UCITS – December 2020.</p> <p>Where the Sub-Fund is contemplated to be registered and authorised for distribution in countries outside of the EU, it is recommended to verify whether no specific disclosures are mandatory to be made under this item in respect to the use of derivatives or efficient portfolio management techniques according to the legal and regulatory requirements of these countries.</p> |
| Investment Manager: | Indicate entity names of all appointed Investment Manager(s) for the Sub-Fund |

| Sub-Fund specific item | Content guidance |
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| | <p>If the Sub-Fund's portfolio management is provided through a multi-management appointment, it must be clearly indicated:</p> <ul style="list-style-type: none"> • that the Sub-Fund has adopted this structure; • the name of all co-investment managers involved; • an indication of the respective role, share and responsibility of each participant in the multi-management appointment; • an indication of how the modalities of the multi-management appointment is defined; • where investors can find the list of current managers of the different Sub-Funds of the Fund; • whether sub-delegation is possible or, where applicable, sub-contracting to service providers depending on the nature of the investments. <p>If the appointment of the entities and/or their role may vary occasionally, with or without prior notice, a cross-reference shall be made to a website providing further details on the actual state of the appointments.</p> <p>The principles applicable to Investment Manager(s) similarly applies in case of a sub-delegation to Sub-Investment Manager(s).</p> |
| Investment Adviser: | <p>If an Investment Adviser(s) is (are) appointed for a Sub-Fund, indicate the entity names of appointed Investment Adviser(s) for a Sub-Fund. The above principles applicable to Investment Manager(s) similarly apply to Investment Advisers (including principles that apply in case of a sub-delegation to Sub-Investment Adviser(s)).</p> |
| Benchmark used | <p>The specific item shall include a description as to whether the Sub-Fund makes use of benchmarks:</p> <ul style="list-style-type: none"> • In case of actively managed Sub-Funds, the Sub-Fund Specific Information must indicate that the reference index is used either for: <ul style="list-style-type: none"> ▪ Portfolio composition; ▪ Risk monitoring; ▪ Performance objective or ▪ Performance measurement. • In case of passively managed Sub-Funds (index tracking objective), the Sub-Fund specific item shall indicate: <ul style="list-style-type: none"> ▪ clear description of indices and information on their underlying components ▪ investors should be provided with link to the benchmark administrator's website where they can be informed on the current benchmark value and composition as well as additional details on the benchmark, its constituents and methodology, detailed fact sheets or other information. |

| Sub-Fund specific item | Content guidance |
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| | <ul style="list-style-type: none"> ▪ description of the permission to use a benchmark according to the Benchmark Regulation and the ESMA register, the purpose of the usage, the actual degree of freedom and information to investors that performance of the Sub-Fund against its benchmark is disclosed in the performance section of the Key Investor Information Document may be considered. <p>In respect of the degree of freedom to actively manage the Sub-Fund in reference to a disclosed benchmark, provide information as to the extent the Sub-Fund may deviate [materially] from the disclosed benchmark [proportion of components of the benchmark intended to be invested, market environment that may allow to invest in securities and sectors not included in the benchmark to exploit investment opportunities].</p> <p><u>Further guidance:</u> ESMA Questions and Answers – Application of the UCITS Directive – Section II - Question 8: Disclosure of the benchmark index in the objectives and investment policies, March 2019</p> <p>Questions and Answers On the Benchmarks Regulation (BMR) - ESMA70-145-114 – 19 November 2021</p> |
| Risk profile | <p>The Risk Profile item shall contain a clear and easy to understand description of the fund's risk profile, regardless of the instruments in which it invests.</p> <p>Be careful that the risk profile as disclosed in this item is consistent with the risk disclosures for the Sub-Fund in the Key Investor Information Document - and aligned with the risk profile of the sub-fund as defined by the board of directors within the meaning of Article 13 (3) (c) of CSSF Regulation 10-04.</p> <p>The risk profile item shall include a qualitative description and an explanation on all risks to which the sub-fund might be exposed to in view of the investment policy so that the investor is reasonably able to understand the nature and level of the risks related to the investment proposal that is being offered to him and, consequently, to take investment decisions on an informed basis.</p> <p>The item may also invite the investor to refer to the Risk Factors subsection in the general part of Prospectus for further clarification on risk descriptions.</p> <p>Where the Sub-Fund is contemplated to be registered and authorised for distribution in countries outside of the EU, it is recommended to verify whether no specific disclosures are mandatory to be made under this item in respect to the Sub-Fund's risk profile according to the legal and regulatory requirements of these countries.</p> |
| Global exposure approach | <p>The item should simply disclose the method used to calculate the global exposure of the Sub-Fund i.e. commitment approach, relative VaR or absolute VaR.</p> <p>It is recommended to add the following statement: "For further information on the global exposure methodology applied, investors should also read the section: Global Exposure Approach in the general part of the Prospectus".</p> |

| Sub-Fund specific item | Content guidance | | | | | | | | | | | | | | | | | | | | |
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| | <p>In case of relative VaR, the description of the risk reference portfolio must be included. There is a possibility of a composite basket of benchmarks, in that case all benchmarks are to be disclosed (i.e.: 50% Benchmark A; 50% Benchmark B), and an indication where investors can find more details on benchmarks designated on the internet.</p> | | | | | | | | | | | | | | | | | | | | |
| <p>Leverage</p> | <ul style="list-style-type: none"> Sub-Funds using the VaR approach should disclose the expected/maximum level of leverage. Where it is anticipated that expected levels of leverage may temporarily vary then prospectus disclosure should reflect the maximum expected levels e.g. "Leverage is not expected to exceed..." or the usually expected level of leverage together with a prominent warning on the possibility of higher leverage under certain circumstances. Information on these circumstances should also be provided. Leverage should be calculated as the sum of the notionals of the derivatives used. When using the relative VaR approach, information on the reference portfolio should be disclosed (under this item or under the item above) Illustrative example of disclosure for the leverage risk: <ul style="list-style-type: none"> "Leverage may increase the volatility of the Sub-Fund's net asset value and may amplify losses which could become significant and potentially cause a total loss of the net asset value in extreme market conditions. The extensive use of financial derivatives instruments may lead to a significant leverage effect." If the commitment approach is applied, a statement may be included that the level of leverage is limited to 100% of the net asset value. <p>Information on leverage levels may also be provided in form of a table (illustrative example below, which is customisable):</p> <table border="1" data-bbox="735 1330 1426 1868"> <thead> <tr> <th>Risk Management Approach</th> <th>Maximum</th> <th>Risk Benchmark for Relative VaR</th> <th>Expected Level of Leverage (%) based on "Sum of Notionals" approach (e.g.)</th> <th>Expected Level of Leverage (%) based on Commitment approach (e.g.)</th> </tr> </thead> <tbody> <tr> <td>Commitment Approach</td> <td>100%</td> <td></td> <td>170*</td> <td>100</td> </tr> <tr> <td>Absolute VaR</td> <td>20%</td> <td></td> <td>250</td> <td>75*</td> </tr> <tr> <td>Relative VaR</td> <td>200%</td> <td>e.g. MSCI AC World Index (USD)</td> <td>150</td> <td>100*</td> </tr> </tbody> </table> <p><u>*optional</u></p> <p><u>Further guidance:</u> ESMA Guidelines - 10-788 – Risk measurement and the calculation of global exposure and counterparty risk for UCITS).</p> | Risk Management Approach | Maximum | Risk Benchmark for Relative VaR | Expected Level of Leverage (%) based on "Sum of Notionals" approach (e.g.) | Expected Level of Leverage (%) based on Commitment approach (e.g.) | Commitment Approach | 100% | | 170* | 100 | Absolute VaR | 20% | | 250 | 75* | Relative VaR | 200% | e.g. MSCI AC World Index (USD) | 150 | 100* |
| Risk Management Approach | Maximum | Risk Benchmark for Relative VaR | Expected Level of Leverage (%) based on "Sum of Notionals" approach (e.g.) | Expected Level of Leverage (%) based on Commitment approach (e.g.) | | | | | | | | | | | | | | | | | |
| Commitment Approach | 100% | | 170* | 100 | | | | | | | | | | | | | | | | | |
| Absolute VaR | 20% | | 250 | 75* | | | | | | | | | | | | | | | | | |
| Relative VaR | 200% | e.g. MSCI AC World Index (USD) | 150 | 100* | | | | | | | | | | | | | | | | | |

| Sub-Fund specific item | Content guidance |
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| | <p>Where the Sub-Fund is contemplated to be registered and authorised for distribution in countries outside of the EU, it is recommended to verify whether no specific disclosures are mandatory to be made under this item in respect to the level of leverage according to the legal and regulatory requirements of these countries.</p> |
| <p>Fees and Charges</p> | <p>Expenses or fees shall be disclosed in the Prospectus (pursuant point 6 of Schedule A of Annex I of the Law of 17 December 2010 on undertakings for collective investment).</p> <p>This item should distinguish between those to be paid by the shareholders, and those to be paid out of the assets of the Sub-Fund.</p> <p>Depending on the variability and complexity of the various fees and charges types that are applied, the item shall opt to present the fees and charges by means of a table in order to visualise the various types of fees and charges applicable, the level of any fees and charges, and how the fees and charges are calculated and paid. Where relevant, reference shall be made to the Fees and Charges section in the general part of Prospectus for further reading.</p> <p>Where a service fee is directly paid out of the assets of the Sub-Fund to the Investment Manager(s), and possibly to any Investment Adviser(s) contractually linked to the Sub-Fund, the method of calculation or the rate of the fee to each recipient must be disclosed in this item.</p> <p>Investment Manager/Investment Adviser fee</p> <p>For the sake of transparency and to allow investors to make an informed judgement about the investment proposed, as required under Article 151 (1) of the 2010 Law, the Investment Manager’s fee and/or the Investment Adviser’s fee shall only pay for investment management, or investment advice. As a general rule, the Investment Adviser’s fee is expected to be at a lower level than the Investment Manager’s fee. When other expenses or fees for activities beyond the direct scope of investment management or advice are payable out of the assets of the Sub-Fund to the Investment Manager(s) or Investment Adviser(s), such expenses or fees must be disclosed separately from the Investment Manager’s fee or Investment Adviser’s fee, in a way that clearly informs investors about the nature of such expenses or fees. In cases where the option of an “all-in” fee is proposed, which implies that only one compensation amount is paid out of the assets of the Sub-Fund to a recipient (commonly the Management Company) who will afterwards pay the other service providers to the Sub-Fund, the Prospectus must clearly state the scope and nature of such “all-in” fee. Ideally, each contractual recipient of this all-in fee should be specified. This provides clarity to investors concerning compensation, fees and expenses in order to allow comparison across Sub-Funds and facilitate investment choice.</p> <p>Further guidance: IOSCO - Good Practice for Fees and Expenses of Collective Investment Schemes</p> <p><u>Performance fee</u></p> <p>If performance fees are applied, the following guidelines shall be considered:</p> |

| Sub-Fund specific item | Content guidance |
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| | <p>A performance fee (or performance-related fee) motivates an investment manager to outperform a benchmark or achieve some other performance objective. The investment manager is responsible and accountable for the investments of the UCITS and its related performance. Both the fee model and the investment manager as the recipient of such a performance fee must be disclosed in the Prospectus. Should there exist a sharing arrangement of the performance fee with any investment adviser(s) contractually linked to the UCITS, the Prospectus shall give information about this arrangement.</p> <p><u>Guideline 1</u></p> <p>If a performance fee is applied, proper and sufficient disclosures must be provided to explain the performance fee model and the computation methodology by providing at least reference to:</p> <ul style="list-style-type: none"> • the reference indicator to measure the relative performance of the fund; • the crystallisation frequency at which the accrued performance fee, if any, becomes payable to the Investment Manager (minimum 12 months, even for the first year); • the performance reference period; • the performance fee rate; • the performance fee methodology defining the method for the calculation of the performance fees based on the above-mentioned inputs, and any other relevant inputs; • the computation frequency of performance fee accruals (which should coincide with the calculation frequency of the NAV). <p><u>Guideline 2</u></p> <ul style="list-style-type: none"> • The performance fee model must be consistent with the Sub-Fund's investment objectives, strategy and policy <p>In addition, proper performance fee disclosures should consider the following minimum standards:</p> <ul style="list-style-type: none"> • the Prospectus must clearly state whether the reference indicator is either an index (displayed by its name and past performance in the Key Investor Investment Document or a website), a High Water Mark ("HWM"), a hurdle rate over a reference indicator, or a combination of two or several indicators (e.g.: Index + HWM + hurdle rate). <p>Consider that:</p> <ul style="list-style-type: none"> • the designated index must be the same (or in certain cases consistent) with the one referred to in the investment policy and strategy; • for absolute return funds, an HWM model and/or hurdle rate are more appropriate indicators to calculate performance fees than a market index, as it is not managed in reference to a benchmark; • an HWM model might need to include a hurdle to align the performance fee model to the Sub-Fund's risk-reward profile; |

| Sub-Fund specific item | Content guidance |
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| | <ul style="list-style-type: none"> • it should not be deemed appropriate for a Sub-Fund with a predominantly long equity-focused strategy to calculate the performance fee with reference to a money market index (hurdle); • it would not be appropriate to take a reference indicator that would set a systematically lower threshold for fee calculation than the actual Benchmark; • the excess performance should be calculated net of all costs; • if the reference indicator changes during the reference period, the performance of the reference indicator for this period should be calculated by linking the Benchmark index that was previously in force until the date of the change and the new reference indicator used afterwards. <p><u>Guideline 3</u></p> <ul style="list-style-type: none"> • The frequency for the crystallisation and the subsequent payment of the performance fee to the Investment Manager should be defined in such a way as to ensure alignment of interests between the Investment Manager and the Shareholders and fair treatment among investors. • The crystallisation frequency i.e. the frequency at which the accrued performance fee becomes payable to the Investment Manager should not be more than once a year. <p>Except:</p> <ul style="list-style-type: none"> • where the Fund employs an HWM model or a high-on-high model where the performance reference period is equal to the whole life of the Fund/Sub-Fund and it cannot be reset (e.g.: the same performance cannot be accrued for the same level of the performance over the whole life of the Fund/Sub-Fund); • for the fulcrum fee model and other models which provide for a symmetrical fee structure (whereby performance fees would decrease or increase based on the performance of the Fund/Sub-Fund); • the crystallisation date should be the same for all Classes of a Fund/Sub-Fund that levies a performance fee; • generally, the crystallisation date should coincide with 31 December or with the end of the financial year of the Fund/Sub-Fund; • the performance fee should only be payable in circumstances where positive performance has been accrued during the performance reference period. Any underperformances or losses incurred during reference period must be recovered before a performance fee becomes payable. <p><u>Guideline 4</u></p> |

| Sub-Fund specific item | Content guidance |
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| | <ul style="list-style-type: none"> • The payment of a performance fee in times of negative performance is not standard (e.g. Fund/Sub-Fund overperforming a reference index showing overall negative performance) and requires a prominent warning to investors in this regard; • Performance reference periods shorter than the whole life of the Fund/Sub-Fund shall be set equal to at least 5 years on a rolling basis (for Benchmark, HWM and hurdle rate); • In this case, performance fees may only be claimed if the outperformance exceeds any underperformances during the previous five years and performance fees should not crystallise more than once a year; • The performance fee model should be designed to ensure that the Investment Manager is not incentivised to take excessive risks; • The Investment Manager's performance should be assessed and remunerated on a time horizon that is, as far as possible, consistent with the recommended investors' holding period; • The performance reference period should not apply to the fulcrum fee model and other models which provide for a symmetrical fee structure. <p><u>Guideline 5</u></p> <ul style="list-style-type: none"> • Concrete examples shall be provided to enhance the understanding of the performance fee model by investors, notably the impact on investment return and effect of specific features applied; • For a performance fee to be paid also in times of negative performance, a prominent warning and example to investors should be included in the Prospectus and Key Investors Information Document. • Where performance fees are calculated based on performance against a reference Benchmark, the Key Investors Information Document and the Prospectus should display the name of the Benchmark and show past performance against it (a link to the Prospectus to the past performance in the Key Investors Information Document is acceptable) <p>Further guidance: ESMA Guidelines on performance fees (05/11/2020 ESMA34-39-992).</p> |
| <p>Sub-Fund Currency</p> | <p>This item should give information on the currency in which the Sub-Fund is denominated [ISO Currency Code].</p> <p>It is recommended to add the following statement: "Investors should consider warnings in respect to currency risks in the general section of the Prospectus".</p> |
| <p>Valuation Days, Dealing Days, Cut-Off times, Payment Periods of Subscriptions, Redemptions, Conversions</p> | <p>Give preference to presenting this item in an overall manner (e.g. in table form below - Content is given as an example for illustrative purpose only; customisation is required if conversions are not permitted - column 4 shall be deleted)</p> |

| Sub-Fund specific item | Content guidance | | | | | | | | | | | | | | | | | | | | | | | | |
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| | <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;"></th> <th style="width: 33%; text-align: center;">Subscriptions</th> <th style="width: 33%; text-align: center;">Redemptions</th> <th style="width: 33%; text-align: center;">Conversions</th> </tr> </thead> <tbody> <tr> <td>Valuation Day (calculation of NAV/unit or share)</td> <td>Each Business Day in Luxembourg (add another country] where necessary)</td> <td>Each Business Day in Luxembourg (add another country where necessary)</td> <td>Each Business Day in Luxembourg (add another country where necessary)</td> </tr> <tr> <td>Orders accepted (Dealing Days)</td> <td>Daily, Weekly [specify week day], Bi-Monthly [specify dates]</td> <td>Daily, Weekly [specify week day], Bi-Monthly [specify dates]</td> <td>Daily, Weekly [specify week day], Bi-Monthly [specify dates]</td> </tr> <tr> <td>Orders must be received by Transfer Agent before (Cut off time, Ordinary Notice period)</td> <td>15:00 Luxembourg time (possibly adding [e.g. X Business days before Valuation Day)</td> <td>15:00 Luxembourg time (possibly adding [e.g. X Business days before Valuation Day)</td> <td>15:00 Luxembourg time (possibly adding [e.g. X Business days before Valuation Day)</td> </tr> <tr> <td>Orders are payable</td> <td>Valuation Day + 3 days (three) Luxembourg Business Days</td> <td>Valuation Day + 3 days (three) Luxembourg Business Days</td> <td>Describe specific processing applicable</td> </tr> <tr> <td>Other restrictions to be considered e.g.</td> <td>Orders received on the preceding day to a closed business day will be executed at the next open business day.</td> <td></td> <td>The switch cannot violate restrictions of share class switched into.</td> </tr> </tbody> </table> | | Subscriptions | Redemptions | Conversions | Valuation Day (calculation of NAV/unit or share) | Each Business Day in Luxembourg (add another country] where necessary) | Each Business Day in Luxembourg (add another country where necessary) | Each Business Day in Luxembourg (add another country where necessary) | Orders accepted (Dealing Days) | Daily, Weekly [specify week day], Bi-Monthly [specify dates] | Daily, Weekly [specify week day], Bi-Monthly [specify dates] | Daily, Weekly [specify week day], Bi-Monthly [specify dates] | Orders must be received by Transfer Agent before (Cut off time, Ordinary Notice period) | 15:00 Luxembourg time (possibly adding [e.g. X Business days before Valuation Day) | 15:00 Luxembourg time (possibly adding [e.g. X Business days before Valuation Day) | 15:00 Luxembourg time (possibly adding [e.g. X Business days before Valuation Day) | Orders are payable | Valuation Day + 3 days (three) Luxembourg Business Days | Valuation Day + 3 days (three) Luxembourg Business Days | Describe specific processing applicable | Other restrictions to be considered e.g. | Orders received on the preceding day to a closed business day will be executed at the next open business day. | | The switch cannot violate restrictions of share class switched into. |
| | Subscriptions | Redemptions | Conversions | | | | | | | | | | | | | | | | | | | | | | |
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| Specific liquidity considerations | <p>Depending on the Sub-Fund’s characteristics, this item should provide information on liquidity considerations, where relevant.</p> <p>Characteristics may be indicated in respect to investee companies, markets and counterparty selection policy that may impact on the liquidity profile of the Sub-Fund [e.g. small Cap, specific sector, reduced company’s floats, etc)</p> <p>Investors’ attention shall be drawn to liquidity management measures that may be applied to protect the interest of all investors when exposed to exceptional market or transactional circumstances as further described in section 11 of the general part of the Prospectus.</p> <p><u>Further guidance:</u> CSSF FAQ on Swing Pricing Mechanism – version 4 of August 2021</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| Classes of Shares | <p>This item shall provide an overview of all Classes offered to the investors and shall give information on the main characteristics attached to each Class, notably identification references (international ID e.g.: ISIN code), eligible/targeted investors, Class currency, minimum subscription amounts, minimum holding conditions, distribution/capitalisation status, hedging status of Class, Class-related fees charged, tax status, etc (these are examples, not exhaustive, and are customisable).</p> | | | | | | | | | | | | | | | | | | | | | | | | |

| Sub-Fund specific item | Content guidance |
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| | <p>Literary descriptions of Classes should be limited to cases where the array of Classes offered is limited in number. Preference should be given to using a table where there is an array of 5+ different Classes.</p> <p>An overview table as portrayed in Annexe 1 is recommended to provide investors with a summary view on the entire class array of the Sub-Fund (or of the entire Fund).</p> <p>A description or table can be disclosed under each item of each Sub-Fund if the space is suitable, otherwise a cross-reference to a table in an Annexe to the Prospectus can be made to provide an overall view on an entire Class array. The table can be set up in portrait or landscape as required, or preferred, alongside a cross reference to a website where a table is disclosed and maintained up to date, to enable investors to stay informed on a permanent basis on the actual state of the Class array of the Fund (e.g. a list of all the share classes effectively launched).</p> |
| <p>Template of sustainability - related disclosures</p> | <p>For a sub-funds as referred to in Article 8 or 9 of SFDR: an indication where can be found in Annex of the Prospectus the templates as set out in Annex II or III of Commission Delegated Regulation (EU) 2022/1288.</p> <p>For other sub-funds: n/a or none should be indicated.</p> |

| Share Class Name | Eligible Investors | ISIN Code | Currency | Type of Share | Minimum Holding/Entry conditions | Subscription fees / Entry Charge (Max) | Conversion fee / Switching Charge (Max) | Redemption fee / Exit charge (Max) | Management Fee (Max) | Investment Manager fee | Class specific fee 6 | Class specific fee 7 | [...] |
|------------------|-------------------------|-----------------|----------|---------------|----------------------------------|--|---|------------------------------------|----------------------|------------------------|----------------------|----------------------|-------|
| A | Retail | LU [xxxxxxxxxx] | EUR | Acc | None | [4%] | [1.00%] | None | [1.35%] | [1.00%] | [0.35%] | [0.20%] | None |
| A1 | Institutional investors | LU [xxxxxxxxxx] | EUR | Dis | EUR [10.000] (or equivalent) | [4.50%] | [1.00%] | [2.00%] | [1.35%] | [1.10%] | [1.00%] | [0.20%] | [20%] |
| B | All investors | LU [xxxxxxxxxx] | USD | Dis Hedged | EUR [1.000] (or equivalent) | [4%] | [1.00%] | [2.00%] | [1.15%] | [1.05%] | [1.00%] | [0.20%] | None |
| [...] | | | | | | | | | | | | | |

For additional useful information, consider section 5 "Shares" and Section 8 "Fees and Charges".





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