

**CALLANDER FUND  
Umbrella Fund  
governed by Luxembourg law**

**PROSPECTUS  
&  
MANAGEMENT REGULATIONS**

**DECEMBER 2011**

Subscriptions for units may only be effected on the basis of this prospectus accompanied by the management regulations and sub-fund descriptions as mentioned in this document or on the basis of the simplified prospectus.

Past performance over the last three financial years is listed in the simplified prospectus.

This prospectus must be accompanied by the most recent annual report and the latest half-yearly report if more recent than the annual report.

Unit subscription, conversion and redemption forms are available upon request:

- from the registered office of the Management Company, CALLANDER MANAGERS S.A. at 30, boulevard Joseph II, L-1840 LUXEMBOURG
- from the registered office of the Custodian Bank, BANQUE DE LUXEMBOURG, Société Anonyme, 14, boulevard Royal, L-2449 LUXEMBOURG
- from the Sub-Agent of the Central Administration, EUROPEAN FUND ADMINISTRATION, 2, Rue d'Alsace, B.P. 1725, L-1017 LUXEMBOURG
- from the Paying Agents.

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No parties are authorised to provide information other than that contained in this prospectus and these management regulations or in the documents referred to herein.

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**FUND AND PARTICIPANTS**

Name of Fund	<b>CALLANDER FUND</b>
Legal form of the Fund	Umbrella Fund (fonds commun de placement à compartiments multiples) subject to part I of the Luxembourg Law of 20 December 2002 governing Undertakings for Collective Investment in Transferable Securities
Duration of the Fund	Unlimited
Consolidation currency of the Fund	EUR
Close of financial year	31 December of each year
Name of Management Company	<b>CALLANDER MANAGERS S.A.</b>
Legal form of Management Company	Société Anonyme
Date of incorporation of Management Company	7 October 1988
Registered Office	30, boulevard Joseph II L-1840 LUXEMBOURG
Registration number in the Trade and Companies Registry	B 28 949
Capital subscribed and fully paid up	EUR 500,000
Board of Directors	Marc L. CELLIER Managing Director CALLANDER MANAGERS S.A. 30, boulevard Joseph II L-1840 LUXEMBOURG Chairman  John R. WHITMORE Financial Advisor Former President and CEO of BESSEMER TRUST COMPANY Suite 2045 630 Fifth Avenue New York, NY 10111 USA Vice-Chairman  Pierre AHLBORN Managing Director BANQUE DE LUXEMBOURG Société Anonyme 14, boulevard Royal L-2449 LUXEMBOURG Director  Nicolas HANUS Executive Manager CALLANDER MANAGERS S.A. 30, boulevard Joseph II L-1840 LUXEMBOURG Director  Fernand REINERS Member of the Management Committee BANQUE DE LUXEMBOURG Société Anonyme 14, boulevard Royal L-2449 LUXEMBOURG Director

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Nico THILL  
*Directeur*  
BANQUE DE LUXEMBOURG  
Société Anonyme  
14, boulevard Royal  
L-2449 LUXEMBOURG  
Director

**Managers**

CALLANDER FUND – ASSET

SILVERCREST ASSET MANAGEMENT GROUP  
LLC  
1330, Avenue of the Americas  
NEW YORK 10019

CALLANDER FUND – CENTRAL EUROPE and  
CALLANDER FUND – SOUTH EASTERN  
EUROPE

GUTMANN KAG  
Schwarzenbergplatz 16  
A-1010 VIENNA

CALLANDER FUND – CHINA UNIVERSE,  
CALLANDER FUND – JAPAN NEW GROWTH  
and CALLANDER FUND – DIAM ASIA PACIFIC  
EX JAPAN

DIAM INTERNATIONAL LTD  
Bracken House, One Friday Street  
LONDON 4EC4M 9JA

CALLANDER FUND – GLOBAL SECURITY and  
CALLANDER FUND – SWISS GROWTH SMALL  
AND MID CAP

GONET & CIE  
6, boulevard du Théâtre  
CH-1211 Geneva 11

**Auditor**

DELOITTE S.A.  
560, rue de Neudorf  
L-2220 LUXEMBOURG

**Custodian Bank**

BANQUE DE LUXEMBOURG  
Société Anonyme  
14, boulevard Royal  
L-2449 LUXEMBOURG

**Central Administration**

BANQUE DE LUXEMBOURG  
Société Anonyme  
14, boulevard Royal  
L-2449 LUXEMBOURG

**Central Administration Subcontractor**

EUROPEAN FUND ADMINISTRATION  
Société Anonyme  
2, rue d'Alsace  
P.O. Box 1725  
L-1017 LUXEMBOURG

**Entities authorised to receive subscription,  
redemption and conversion orders**

EUROPEAN FUND ADMINISTRATION  
Société Anonyme  
2, rue d'Alsace  
P.O. Box 1725  
L-1017 LUXEMBOURG  
  
BANQUE DE LUXEMBOURG  
Société Anonyme  
14, boulevard Royal  
L-2449 LUXEMBOURG

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Paying Agents

CRÉDIT INDUSTRIEL ET COMMERCIAL  
Société Anonyme  
6, Avenue de Provence  
F-75009 PARIS

ERSTE BANK DER OESTERREICHISCHEN  
SPARKASSEN AG  
Graben 21  
A-1010 Vienna

VERWALTUNGS- UND PRIVAT-BANK AG  
Aeulestrasse 6  
FL-9490 VADUZ

Representative for Switzerland

CACEIS FASTNET (SUISSE) SA  
Société Anonyme  
Chemin de Précossy 7/9  
CH-1260 NYON

Paying Agent for Switzerland

CREDIT AGRICOLE (SUISSE) SA  
Quai Général-Guisan 4  
CH-1204 GENEVA

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## 1. DESCRIPTION OF THE FUND

CALLANDER FUND is an Umbrella Fund (fonds commun de placement à compartiments multiples) under Luxembourg law (hereafter referred to as the "Fund"), subject to the provisions of Part 1 of the Law of 17 December 2010 governing Undertakings for Collective Investment (hereinafter the "Law of 17 December 2010"), incorporating the provisions of the European Directive of 13 July 2009 (2009/65/EC) as amended. The fact that the Fund is included in the official list drawn up by the supervisory authority shall not under any circumstances be considered as a positive assessment on the part of the supervisory authority of the quality of the securities being offered for sale.

The management of the Fund is entrusted to CALLANDER MANAGERS S.A.

The following sub-funds are available to subscribers:

Name of sub-funds	Currency	Available classes of units
CALLANDER FUND – ASSET	USD	C1 denominated in USD C2 denominated in EUR R1 denominated in USD R2 denominated in EUR
CALLANDER FUND – CENTRAL EUROPE	EUR	C1 denominated in EUR G1 denominated in EUR R1 denominated in EUR
CALLANDER FUND – CHINA UNIVERSE	USD	C1 denominated in USD C2 denominated in EUR R1 denominated in USD R2 denominated in EUR
CALLANDER FUND – GLOBAL SECURITY	USD	C1 denominated in USD C2 denominated in EUR R1 denominated in USD R2 denominated in EUR
CALLANDER FUND – JAPAN NEW GROWTH	JPY	C1 denominated in JPY C2 denominated in EUR R1 denominated in JPY R2 denominated in EUR I1 denominated in JPY I2 denominated in EUR
CALLANDER FUND – SWISS GROWTH SMALL AND MID CAP	CHF	C1 denominated in CHF C2 denominated in EUR R1 denominated in CHF R2 denominated in EUR
CALLANDER FUND – SOUTH EASTERN EUROPE	EUR	C1 denominated in EUR R1 denominated in EUR
CALLANDER FUND – DIAM ASIA PACIFIC EX JAPAN	USD	C1 denominated in USD C2 denominated in EUR I1 denominated in USD I2 denominated in EUR S1 denominated in USD

The investment policy and other characteristics of each sub-fund are defined in the respective descriptions.

The Management Company reserves the right to create new sub-funds. If such sub-funds are created, this prospectus shall be amended accordingly.

The assets of a sub-fund shall only be liable for the debts and liabilities relating to that sub-fund.

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## **2. OBJECTIVE OF THE FUND**

The objective of the Management Company is to offer the unit-holders of the Fund the opportunity to invest in professionally managed portfolios of transferable securities and/or other liquid financial assets as defined in the investment policy for each sub-fund (see sub-fund descriptions).

The diversification of the portfolios that make up the sub-funds ensures that the risk inherent to any investment is limited, though without being excluded completely. Thus the Management Company cannot guarantee that its objectives will be realised in full.

The investments of the Fund shall be made under the control and subject to the responsibility of the Management Company.

## **3. MANAGEMENT COMPANY**

The management of the Fund is entrusted to CALLANDER MANAGERS S.A., formed on 7 October 1988 for an unlimited period in the form of a Public Limited Company governed by Luxembourg law. The Management Company is subject to the provisions of Section 15 of the Law of 17 December 2010 on Undertakings for Collective Investment. Its registered office is situated at 30, boulevard Joseph II, L-1840 LUXEMBOURG.

The memorandum of association of the Management Company was published in the Mémorial, Recueil des Sociétés et Associations on 18 November 1988. The articles of association as amended for the last time by the Extraordinary General Meeting of 2 June 2009 were published in the Mémorial, Recueil des Sociétés et Associations on 25 June 2009. The coordinated articles of association were filed at the Luxembourg Commercial and Companies Register, from which copies may be obtained. Its registration number is B 28 949. The object of the Management Company is the establishment, administration and management of the "CALLANDER FUND", a collective investment fund (fonds commun de placement), and the issue of certificates or confirmations representing or documenting undivided co-ownership shares in the Fund.

The subscribed and fully paid-up capital of the Management Company is EUR 500,000 (five hundred thousand euros). It is represented by 5,000 no-par-value registered shares.

The Management Company has the most extensive powers to perform all acts of management, administration and promotion of the Fund on behalf and for the account of the unit-holders.

Under its responsibility and control, the Management Company has appointed BANQUE DE LUXEMBOURG as central administration agent, which in turn has sub-contracted part of its remit (accounts, calculation of net asset values, establishment of financial reports and summaries for the CSSF, processing of subscriptions, redemptions and conversions of units, holding and upkeep of the register of registered units of the fund), for which it nevertheless retains responsibility to the European Fund Administration ("EFA") Société Anonyme, 2, rue d'Alsace, L1017 LUXEMBOURG.

The commission rate for the Central Administration Agent is included in the sub-fund descriptions.

The Management Company may entrust, under its own responsibility, its supervision and, at its own expense, the management of the assets of one or more sub-funds of the Fund to one or more Managers.

The name and a description of the Managers and their remuneration are set out in the descriptions of the sub-funds. The remuneration of the Manager may include a performance fee, the applicability and rate of which are shown in the respective sub-fund description.

The Management Company may, under its responsibility and supervision, entrust the distribution of units in one or more sub-funds of the Fund to one or more duly authorised agents.

## **4. INVESTMENT ADVISERS**

In implementing the investment policy of the sub-funds, the Management Company may obtain the assistance of one or more Investment Advisers (the "Investment Advisers"), whose task is to advise the Management Company on the investment policy of the Fund.

The names and a description of the Investment Advisers are provided in the sub-fund descriptions.

The commission rate for Investment Advisers is included in the sub-fund descriptions.

## **5. CUSTODIAN BANK**

BANQUE DE LUXEMBOURG, a public limited company governed by Luxembourg law with its registered office at 14, boulevard Royal, L-2449 LUXEMBOURG, has been established in Luxembourg since 1920.

In its capacity as Custodian Bank, the Bank performs the duties and obligations stipulated by the Law of 17 December 2010 on Undertakings for Collective Investment and the regulatory requirements in force.

## **6. DESCRIPTION OF UNITS**

The capital of the Fund is equal to the total net assets of the various sub-funds.

The following classes of units may be issued for the sub-funds currently open to subscribers:

- Units of Class C1: capitalisation units expressed in the sub-fund's reference currency, which in principle do not confer on their holder the right to receive dividends, but whose share of the amount to be distributed is capitalised in the sub-fund to which the capitalisation units belong;
- Units of Class C2: capitalisation units expressed in a currency other than the sub-fund's reference currency.  
The Management Company shall endeavour to minimise exposure to currency risk of Class C2 through hedging techniques and instruments, particularly through forward exchange contracts, swaps, currency futures and options.  
In view of the volatility of the underlying portfolio, the Management Company cannot guarantee that Class C2 is entirely protected against exchange rate risks. Consequently, a residual exchange risk cannot be ruled out.
- Units of Class G1: capitalisation units expressed in the sub-fund's reference currency. Units of Class G1 differ from units of Class C1 on account of a different charges and fee structure and are reserved for entities linked to the appointed manager of the sub-fund concerned and to customers of the entities linked to the appointed manager of the sub-fund concerned. Access to this class of units is subject to prior approval by the Board of Directors of the Management Company. This class of units is moreover reserved to institutional investors within the meaning of Article 174 (2) of the Law of 17 December 2010.
- Units of Class R1: capitalisation units expressed in the sub-fund's reference currency. Units of Class R1 differ from units of Class C1 on account of the different management fee structure;
- Units of Class R2: capitalisation units expressed in a currency other than the sub-fund's reference currency. Units of Class R2 differ from units of Class C2 on account of the different management fee structure.  
The Management Company shall endeavour to minimise exposure to currency risk of Class R2 through hedging techniques and instruments, particularly through forward exchange contracts, swaps, currency futures and options provided that the minimum amount to hedge amounts to EUR 10,000.  
In view of the volatility of the underlying portfolio, the Management Company cannot guarantee that Class R2 is entirely protected against exchange rate risks. Consequently, a residual exchange risk cannot be ruled out.
- Units of Class I1: capitalisation units denominated in the reference currency of the sub-fund and reserved for institutional investors within the meaning of Article 174 (2) of the Law of 17 December 2010. Units of Class I1 differ from those of Class C1 on account of their different charges and fees structure. A minimum investment amount may be determined for this class of units in the sub-fund description. That minimum investment amount may be terminated at the discretion of the Management Company on a given valuation date provided that, in exercising that right of derogation, it treats unit-holders equally on that valuation date.
- Units of Class I2: capitalisation units denominated in a currency other than the reference currency of the sub-fund and reserved for institutional investors within the meaning of Article 174 (2) of the Law of

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17 December 2010. Units of Class I2 differ from units of Class C2 on account of the different charges and fees structure. A minimum investment amount may be determined for this class of units in the sub-fund description. That minimum investment amount may be terminated at the discretion of the Management Company on a given valuation date provided that, in exercising that right of derogation, it treats unit-holders equally on that valuation date.

The Management Company will take care to minimise the exposure to exchange-rate risk of Class I2 by having recourse to hedging techniques and instruments, in particular through forward exchange contracts, swaps, futures and currency options in so far as the minimum amount to be hedged amounts to EUR 10,000. On account of the volatility of the underlying portfolio, the Management Company cannot guarantee that Class I2 is totally covered against exchange risks. Consequently, a residual exchange risk cannot be ruled out.

- Units of Class S1: capitalisation units expressed in the sub-fund's reference currency. The Class S1 units differ from those of Class C1 on account of their different charges and fees structure and are reserved for entities linked to the appointed manager of the sub-fund in question. Moreover, those entities linked to the manager of the sub-fund must be institutional investors within the meaning of Article 174 (2) of the Law of 17 December 2010. The entities authorised to invest in Class S1 will be mentioned in the description of the sub-fund concerned.

The unit classes available for each sub-fund are detailed in the description of each sub-fund.

## **7. ENTITIES AUTHORISED TO RECEIVE SUBSCRIPTION, REDEMPTION AND CONVERSION ORDERS**

The following entities are authorised to receive subscription, redemption and conversion orders on behalf of the Fund.

BANQUE DE LUXEMBOURG, Luxembourg  
EUROPEAN FUND ADMINISTRATION S.A., Luxembourg

**The attention of investors is drawn to the fact that the Management Company does not authorise "Market Timing" practices. The Management Company reserves the right to reject any subscription or conversion order issued by an investor that the Management Company suspects of employing such practices and to take the necessary measures to protect the other fund investors where necessary. Subscriptions, redemptions and conversions shall be carried out at an unknown Net Asset Value.**

## **8. ISSUE, REDEMPTION AND CONVERSION OF UNITS**

Issues, redemptions and conversions are performed in accordance with the management regulations attached to this prospectus and as mentioned in the sub-fund descriptions.

Issues, redemptions and conversions are performed in the currencies of the classes of units concerned.

The conversion of units into classes of units intended exclusively for institutional investors is authorised only on condition that the investor applying to convert is an institutional investor within the meaning of Article 174 (2) of the Law of 17 December 2010.

## **9. CALCULATION OF NET ASSET VALUE**

The valuation of the net assets of each sub-fund of the Fund and the calculation of the net asset value per unit are carried out on the day ("Valuation Day") indicated in the sub-fund description.

The net asset value of a unit, irrespective of the sub-fund and the unit class in which it is issued, shall be determined in the currency of that unit class.

## **10. TAX TREATMENT OF THE FUND AND OF UNIT-HOLDERS**

### Tax treatment of the Fund

Under current legislation, the Fund is not subject to any form of Luxembourg tax, except:

- a one-off capital duty payable at launch
- an annual subscription tax the amount of which is stated in the description of each sub-fund, payable quarterly on the basis of the net assets of the Fund on the last day of each quarter. The net assets invested in UCIs that are already subject to the subscription tax provided for by Article 174 (2) of the Law of 17 December 2010 on Undertakings for Collective Investment are exempt from subscription tax.

The Fund will be subject in the different countries to any withholding taxes that may be charged on income, dividends and interest on its investments in these countries, without those taxes necessarily being refundable.

Finally, the Fund may also be subject to indirect taxes on its operations and on services for which it is invoiced, due to the different legislations in force.

### Tax treatment applicable to unit-holders

Payments of dividends or of the redemption price in favour of unit-holders may be subject to withholding tax in accordance with the provisions of European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (hereinafter referred to as "the Directive"). In this case, the investor may opt out of paying the withholding tax by producing an exemption certificate or mandate for exchange of information, depending on the options offered by the paying agent.

The Directive was transcribed into Luxembourg legislation by the Law of 21 June 2005 (hereinafter referred to as "the Law").

The dividends distributed by a sub-fund shall be subject to the Directive and the Law if more than 15% of the sub-fund's assets are invested in debt claims as defined in the Law. The capital gains that a unit-holder earns upon the sale of units of a sub-fund are subject to the Directive and the Law if more than 25% of the sub-fund's assets are invested in debt claims as defined in the Law.

Withholding tax amounts to 35%.

The Management Company recommends that unit-holders acquaint themselves with, and if necessary seek professional advice on, the laws and regulations relating to the subscription, purchase, holding, redemption and sale of units in their country of origin, residence or domicile.

## **11. FINANCIAL REPORTS**

The Fund publishes an audited annual report on 31 December each year as well as an unaudited half-yearly report at the end of each half year, on 30 June.

These financial reports may in particular contain separate financial statements drawn up for each sub-fund. The consolidation currency is the Euro.

## **12. INFORMATION FOR UNIT-HOLDERS**

### **A. NET ASSET VALUE, ISSUE AND REDEMPTION PRICE**

The net asset value, the issue price and the redemption and conversion price of the units of each sub-fund are available every banking day in Luxembourg from the registered office of the Management Company.

### **B. NOTICES TO UNIT-HOLDERS**

Amendments to the Management Regulations of the Fund are published in the Mémorial, Recueil des Sociétés et Associations.

Other notices to unit-holders are published in the Luxemburger Wort in Luxembourg and in one or more newspapers distributed in countries where units of the Fund are available to subscribers.

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

The following documents are available to the public at the registered office of the Management Company:

- the issue prospectus and Management Regulations
- the simplified prospectus
- the financial reports

A copy of the agreements concluded with the Custodian Bank, the Central Administration, the Managers and the Investment Advisers may be obtained free of charge from the registered office of the Management Company.

### **D. INFORMATION ON U.S. NATIONALS OR RESIDENTS**

The units of the Fund are not registered according to the United States Securities Act 1933 as amended nor approved by the Securities and Exchange Commission. Moreover, the Fund has not been registered according to the Investment Company Act 1940 as amended. Therefore, the units of the Fund are not being offered and may not be sold to the public in the United States of America, its territories or possessions, or to nationals or residents thereof. The units may not be transferred to U.S. national or residents (as defined in regulation S of the United States Securities Act 1933 as amended).

The Management Company has the right to not accept at any time a subscription if this is essential to protect the interests of the unit-holders, the Management Company or the sub-fund involved, as defined in Art. 7 Issue of Units of the Management Regulations of the Fund. The Management Company has the right unilaterally to redeem the units of any class of unit at the redemption price if this seems essential to protect the interests of the unit-holders, the Management Company or the sub-fund involved, as defined in Art. 8 Redemption of Units of the Management Regulations of the Fund. The Management Company is authorised to not recognise the issue or the transfer of units where it seems that this issue or this transfer could result in the transfer of the property in the units to U.S. nationals or residents. The Management Company is authorised to redeem the units of the Funds if it seems that a U.S. national or resident, on his own, or with other people, is a unit-holder in the Fund.

### **13. SUPPLEMENTARY INFORMATION WITH A VIEW TO THE DISTRIBUTION OF FUND UNITS IN OR FROM SWITZERLAND**

#### **Representative and payment service in Switzerland**

**CACEIS Fastnet (Suisse) SA**, established at Chemin de Précossy 7/9, CH -1260 NYON, Switzerland, has been appointed as the Fund's Representative in Switzerland.

**CRÉDIT AGRICOLE (SUISSE) SA**, established at Quai Général Guisan 4, CH-1204 GENEVA, Switzerland, has been appointed as the Fund's Paying Agent in Switzerland.

The Fund's prospectus, simplified prospectus, Management Regulations, annual and half-yearly reports may be obtained free of charge from the Representative. In the context of the legal relations between the Fund and investors in Switzerland, only the French version of this prospectus and of the simplified prospectus is authentic.

#### **Indications concerning the expenses charged to the Fund**

The entry, exit and conversion fees and the expenses chargeable to each of the sub-funds are described in their respective descriptions.

In connection with the marketing of Fund units in Switzerland, the Fund's Management Company may grant retrocessions to the following institutional investors which hold Fund units for third parties for economic purposes:

- life insurance companies;
- pension funds and other provident institutions;
- investment foundations;
- Swiss fund management companies ;
- foreign fund managers and companies;
- investment companies.

In connection with the marketing of Fund units in Switzerland, the Fund Management Company may also pay remuneration in connection with the distribution activity to the following distributors and distribution partners:

- authorised distributors;
- fund managers, banks, securities traders, the Swiss Post Office and insurance companies;
- distribution partners which place fund units exclusively with institutional investors that have a professional treasury;
- asset managers.

#### **Publications**

The Fund's publications in Switzerland are published in the Feuille Officielle Suisse du Commerce and on the site [www.swissfunddata.ch](http://www.swissfunddata.ch).

The issue and redemption prices for units and the net asset value per unit (stating "fees not included") are published daily on the site [www.swissfunddata.ch](http://www.swissfunddata.ch).

#### **Place of performance and place of jurisdiction**

The place of performance and the place of jurisdiction for any dispute in relation to the distribution in Switzerland of Fund units are the registered office of the Representative.

**CALLANDER FUND**

**Sub-fund descriptions**

## **CALLANDER FUND – ASSET**

Unit classes C1, C2, R1 and R2

### **GENERAL INFORMATION ON THE FUND**

COUNTRY OF REGISTRATION	>	Luxembourg
LEGAL FORM	>	Umbrella Fund (fonds commun de placement à compartiments multiples)
DURATION	>	Unlimited
PROMOTER	>	BANQUE DE LUXEMBOURG, Luxembourg
MANAGEMENT COMPANY	>	CALLANDER MANAGERS S.A.
MANAGER	>	SILVERCREST ASSET MANAGEMENT GROUP LLC, New York
CUSTODIAN BANK AND CENTRAL ADMINISTRATION	>	BANQUE DE LUXEMBOURG, Luxembourg
CENTRAL ADMINISTRATION SUBCONTRACTOR	>	EUROPEAN FUND ADMINISTRATION, Luxembourg
AUDITOR	>	DELOITTE S.A., Luxembourg
SUPERVISORY AUTHORITY	>	COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER, Luxembourg
ENTITIES AUTHORISED TO RECEIVE SUBSCRIPTION, REDEMPTION AND CONVERSION ORDERS	>	BANQUE DE LUXEMBOURG, LUXEMBOURG EUROPEAN FUND ADMINISTRATION, LUXEMBOURG
PAYING AGENTS	>	CREDIT INDUSTRIEL ET COMMERCIAL, Paris ERSTE BANK DER OESTERREICHISCHEN SPARKASSEN AG, Vienna CREDIT AGRICOLE (SUISSE) S.A., Geneva

### **GENERAL INFORMATION ON THE SUB-FUND**

#### **INVESTMENT POLICY**

SUB-FUND OBJECTIVE	>	To give unit-holders easy access to the American markets, whilst seeking long-term capital growth through a diversified portfolio
INVESTMENT STRATEGY	>	<p>CALLANDER FUND – ASSET invests at least 70% of its total assets in shares in companies listed and traded on markets in the USA. The companies selected trade largely in the USA.</p> <p>The selected companies shall generally have the following characteristics:</p> <ul style="list-style-type: none"><li>➤ a sound balance sheet structure,</li><li>➤ preferably a positive cash flow,</li><li>➤ an average expected yield of at least 10% p.a. in dividends and earnings growth,</li><li>➤ clearly defined areas of activity in which a leading position is occupied,</li><li>➤ a very low level of obsolescence in the products or services offered,</li><li>➤ a long-established position in the market, rather than a newly formed entity,</li><li>➤ a portfolio traded at a price/earnings ratio in line with or below market P/E,</li><li>➤ most of the shares actively traded on a regulated market.</li></ul> <p>Technology stocks shall not account for more than 33% of the portfolio.</p> <p>The operational strategy is to buy and hold stocks, regardless of short-term market fluctuations. As long as certain companies maintain their core activities and their earnings volumes, price falls on the stock market will be regarded as opportunities to increase holdings.</p> <p>The Manager has put in place a procedure for identifying such companies. Meetings with the managements of these companies are organised on a regular basis.</p> <p>The sub-fund may not invest more than 10% of its net assets in UCITS or other UCI units at any time.</p> <p>Furthermore, the sub-fund may hold ancillary liquid assets on a temporary basis. With the aim of investing its liquid assets, the sub-fund may invest in debt instruments whose final or residual maturity, considering the financial instruments associated therewith, does not exceed 12 months or in debt instruments for which the rate, considering the financial instruments associated therewith, is adapted at least once a year.</p> <p>In addition, the sub-fund may, within the legal limits, use derivative products for</p>

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the purposes of hedging or optimising the exposure of the portfolio, through transactions to buy and sell options and futures based on indices and on individual stocks.

Since the assets of the sub-fund are subject to market fluctuations and the risks inherent in any investment in shares, the Management Company cannot guarantee that its objectives will be realised.

MANAGER	>	SILVERCREST ASSET MANAGEMENT GROUP LLC SILVERCREST ASSET MANAGEMENT Group, established in the spring of 2002, manages some USD 8.5 billion for a clientele largely made up of wealthy families, foundations and other first-rate institutional investors.
RISK PROFILE	>	Equities / Defensive management An investment in shares is equivalent to participation in the activities of the companies underlying the sub-fund. Investors will therefore benefit from the earnings prospects of these small and medium sized enterprises. However, the equity markets are subject to unforeseeable short-term fluctuations which may cause a fall in share prices lasting several years. Investors' attention is drawn to the fact that there is no certainty that they will recover the whole of the capital invested.
INVESTOR PROFILE	>	Recommended investment horizon: at least 3 years This sub-fund is intended for investors wishing to participate in the stock market performance of small and medium sized enterprises. It is desirable that they should already have experience of stock market products before investing in this sub-fund; it is essential that they should be fully aware of the volatility of share markets.
RISK MANAGEMENT METHOD	>	Commitment approach

**ENTRY, EXIT AND CONVERSION FEES**

ENTRY FEE	>	Maximum of 4% of the net asset value, payable to the placement agent and/or the Management Company
EXIT FEE	>	Maximum of 1% of the net asset value, payable to the placement agent and/or the Management Company
CONVERSION FEE	>	Maximum of 1% of the net asset value of the converted shares, payable to the placement agent and/or the Management Company

**COSTS CHARGED TO THE SUB-FUND**

MANAGEMENT FEE	>	For units of Classes C1 and C2: 2% p.a., payable quarterly on the basis of the average net assets attributable to units of Class C1 or to units of Class C2, respectively, during that quarter. For units of Classes R1 and R2: 2.5% p.a., payable quarterly on the basis of the average net assets attributable to units of Class R1 or to units of Class R2, respectively, during that quarter.
PERFORMANCE FEE	>	10% of the annual positive growth of the net asset value per unit (i.e. the positive difference between the net asset value calculated at the close of the financial year and the highest net asset value among all the net asset values calculated at the close of previous financial years) multiplied by the average number of units in circulation during the financial year in question. On each valuation day, the performance fee is estimated and provision is made in the net asset value. This fee is payable annually in the month that follows the end of the financial year. No performance fee is payable for as long as the net asset value calculated at the close of the financial year is lower than the highest net asset value among all the net asset values at the close of previous financial years.
CUSTODIAN BANK AND CENTRAL ADMINISTRATION COMMISSION	>	Maximum of 0.20% p.a. of the average net assets of the sub-fund during each quarter with a minimum of EUR 30,000 p.a.
OTHER FEES AND COMMISSIONS	>	The sub-fund will also meet other operating costs. Details of these operating costs are given in Article 15 of the Management Regulations.

**TAXATION**

TAX TREATMENT OF THE FUND	>	No charges or taxes payable in Luxembourg, with the exception of: <ul style="list-style-type: none"><li>• a subscription tax of 0.05% p.a. (assets invested in UCIs already subject to subscription tax are exempt)</li></ul>
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TAX TREATMENT OF UNIT-HOLDERS	>	<p>Payments of dividends or of the redemption price in favour of unit-holders may be subject to withholding tax in accordance with the provisions of European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (hereinafter referred to as "the Directive"). In this case, the investor may opt out of paying the withholding tax by producing an exemption certificate or mandate for exchange of information, depending on the options offered by the paying agent.</p> <p>The Directive was transcribed into Luxembourg legislation by the Law of 21 June 2005 (hereinafter referred to as "the Law").</p> <p>The dividends distributed by a sub-fund shall be subject to the Directive and the Law if more than 15% of the sub-fund's assets are invested in debt claims as defined in the Law. The capital gains that a unit-holder earns upon the sale of units of a sub-fund are subject to the Directive and the Law if more than 25% of the sub-fund's assets are invested in debt claims as defined in the Law.</p> <p>Withholding tax will amount to 35%.</p> <p>Unit-holders should consult their tax advisers regarding the laws and regulations in their country of origin, residence and domicile.</p>
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**MARKETING OF UNITS**

SUBSCRIPTION, REDEMPTION AND CONVERSION	>	<p>Subscription, redemption and conversion orders received before 2 p.m. on a bank working day in Luxembourg shall be executed on the basis of the net asset value on the next valuation day, subject to the fees set out above. Subscriptions and redemptions must be paid up no later than five working days following the date of calculation of the net asset value.</p> <p>Subscription, redemption and conversion orders are therefore sent by investors at an unknown Net Asset Value.</p> <p>The attention of investors is drawn to the fact that the Management Company does not authorise "Market Timing" practices. The Management Company reserves the right to reject any subscription or conversion order issued by an investor that the Management Company suspects of employing such practices and to take the necessary measures to protect the other fund investors where necessary.</p>
CLASSES OF UNITS	>	<p>Class C1, denominated in USD Class C2, denominated in EUR Class R1, denominated in USD Class R2, denominated in EUR</p> <p>The Management Company shall endeavour to minimise exposure to currency risk of Classes C2 and R2 through hedging techniques and instruments, particularly through forward exchange contracts, swaps, currency futures and options.</p> <p>In view of the volatility of the underlying portfolio, the Management Company cannot guarantee that Classes C2 and R2 are entirely protected against exchange rate risks. Consequently, a residual exchange risk cannot be ruled out.</p>
DISTRIBUTION METHOD AND POLICY	>	<p>The sub-fund issues capitalisation units only.</p> <p>The units may be issued in the form of bearer or registered securities.</p> <p>Units can be issued in fractions of up to one thousandth of a unit or as whole single units or they can be represented by collective certificates available in the case of bearer certificates in denominations of 1, 10 or 100 units. Fractions of bearer shares cannot be physically delivered and will be held at the Custodian Bank in a securities account to be opened for that purpose.</p>
CALCULATION OF NAV	>	Every day that is a bank working day in Luxembourg ("Valuation Day")
PUBLICATION OF NAV	>	At the registered office of the Management Company
REFERENCE CURRENCY	>	USD
LAUNCH DATE	>	18 October 1988
ISIN CODES	>	LU0012008875 (Capitalisation) C1, USD LU0167130078 (Capitalisation) C2, EUR LU0325149101 (Capitalisation) R1, USD LU0325149283 (Capitalisation) R 2, EUR
LISTED ON LUXEMBOURG STOCK EXCHANGE	>	YES

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**CONTACTS**

**SUBSCRIPTION, REDEMPTION AND  
CONVERSION**

EFA – Registration Agent  
Fax:+352-48 65 61-8002

**TO ORDER DOCUMENTS RELATING TO THE FUND**

BANQUE DE LUXEMBOURG  
14, boulevard Royal  
L-2449 LUXEMBOURG

The full prospectus, the simplified prospectus and the annual and half-yearly reports may be obtained free of charge from the registered office of the Management Company and of the Custodian Bank.

## **CALLANDER FUND - CENTRAL EUROPE**

Unit classes C1, G1 and R1

### **GENERAL INFORMATION ON THE FUND**

COUNTRY OF REGISTRATION	>	Luxembourg
LEGAL FORM	>	Umbrella Fund (fonds commun de placement à compartiments multiples)
DURATION	>	Unlimited
PROMOTER	>	BANQUE DE LUXEMBOURG, Luxembourg
MANAGEMENT COMPANY	>	CALLANDER MANAGERS S.A.
MANAGER	>	GUTMANN KAG, Vienna
CUSTODIAN BANK AND CENTRAL ADMINISTRATION	>	BANQUE DE LUXEMBOURG, Luxembourg
CENTRAL ADMINISTRATION SUBCONTRACTOR	>	EUROPEAN FUND ADMINISTRATION, Luxembourg
AUDITOR	>	DELOITTE S.A., Luxembourg
SUPERVISORY AUTHORITY	>	COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER, Luxembourg
ENTITIES AUTHORISED TO RECEIVE SUBSCRIPTION, REDEMPTION AND CONVERSION ORDERS	>	BANQUE DE LUXEMBOURG, Luxembourg EUROPEAN FUND ADMINISTRATION, Luxembourg
PAYING AGENTS	>	CREDIT INDUSTRIEL ET COMMERCIAL, Paris ERSTE BANK DER OESTERREICHISCHEN SPARKASSEN AG, Vienna CREDIT AGRICOLE (SUISSE) S.A., Geneva

### **GENERAL INFORMATION ON THE SUB-FUND**

#### **INVESTMENT POLICY**

CHANGE OF NAME	>	The sub-fund formerly called CALLANDER FUND – EASTERN EUROPE was renamed CALLANDER FUND – CENTRAL EUROPE on 11 February 2002.
SUB-FUND OBJECTIVE	>	To give unit-holders easy access to the Central European markets, whilst seeking long-term capital growth through a diversified portfolio
INVESTMENT STRATEGY	>	<p>CALLANDER FUND – CENTRAL EUROPE invests at least 70% of its total assets in shares of companies listed on stock markets in Austria, the Czech Republic, Hungary, Poland, Slovakia, Romania, Bulgaria, Croatia and Russia. These stocks feature in the indices of the relevant stock exchanges. However, the Manager may propose to increase or reduce the weightings of the respective stock exchanges based on its assessment of the economic health of the countries in question.</p> <p>Investments in Russia will largely be effected in ADRs (American Depositary Receipts) admitted to official listing on a stock exchange or traded on another regulated market. Direct investments will only be made on a complementary basis, according to the provisions of section 5 “Investment Restrictions” of the Management Regulations.</p> <p>The sub-fund may not invest more than 10% of its net assets in UCITS or other UCI units at any time.</p> <p>Furthermore, the sub-fund may hold ancillary liquid assets on a temporary basis. With the aim of investing its liquid assets, the sub-fund may invest in debt instruments whose final or residual maturity, considering the financial instruments associated therewith, does not exceed 12 months or in debt instruments for which the rate, considering the financial instruments associated therewith, is adapted at least once a year.</p> <p>In addition, the sub-fund may, within the legal limits, use derivative products for the purposes of hedging or optimising the exposure of the portfolio, through transactions to buy and sell options and futures based on indices and on individual stocks.</p>
MANAGER	>	GUTMANN KAG (Gutmann Kapitalanlagegesellschaft, the management company of Banque Gutmann) is a 100% subsidiary of Banque GUTMANN. The fact that the GUTMANN Group is not affiliated to any banking or industrial group secures it a high measure of independence and flexibility. All the asset management activities of the GUTMANN Group are concentrated in the

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RISK PROFILE	>	<p>GUTMANN KAG.</p> <p>Equities / Emerging countries</p> <p>An investment in shares is equivalent to participation in the activities of the companies underlying the sub-fund. Investors will therefore benefit from the earnings prospects of these enterprises. However, the equity markets are subject to unforeseeable short-term fluctuations which may cause a fall in share prices lasting several years. Investors' attention is drawn to the fact that there is no certainty that they will recover the whole of the capital invested.</p> <p>The Central European securities markets are not as large as the better established markets and deal in substantially smaller transaction volumes due to lack of liquidity and price volatility. Some markets are only in the first stages of development. In certain countries of Central Europe, there is a tendency for market capitalisation and the volume of transactions to be concentrated on a small number of issuers representing a limited number of economic sectors, as well as a large concentration of investors and financial intermediaries. These factors reduce the potential of portfolio investments and can have an adverse effect on the investment performance of a portfolio whose objective is to invest primarily in the countries of Central Europe.</p> <p>The emerging economies present certain risks not encountered in other, more stable economies. The political and social uncertainties existing in many Central European countries play a significant role in this regard. Moreover, the governments of many of these countries have a considerable impact on the regulation and control of the economy, and the inadequacy of the legal systems of some Central European countries can also have negative repercussions for a portfolio.</p> <p>It is also important to bear in mind the possible lack of custodian services for securities in certain Central European countries, which can give rise to additional costs and delays relating to the transfer and keeping of securities outside these countries. Furthermore, in certain circumstances a portfolio may incur additional costs for using custodian services in a country other than that in which the securities are traded. Operating regulations in some countries may expose a portfolio to the risk of insolvency of other parties involved in the settlement process, and to the risk of delays and losses.</p> <p><b>Therefore such investments should only be contemplated by professional investors who accept that participation in this sub-fund should form part of a balanced investment portfolio.</b></p>
INVESTOR PROFILE	>	<p>Recommended investment horizon: at least 3 years</p> <p>This sub-fund is intended for investors wishing to participate in the stock market performance of Central Europe. It is desirable that they should already have experience of stock market products before investing in this sub-fund; it is essential that they should be fully aware of the volatility of share markets.</p>
RISK MANAGEMENT METHOD	>	<p>Commitment approach</p>

**ENTRY, EXIT AND CONVERSION FEES**

ENTRY FEE	>	<p>Maximum of 4% of the net asset value, payable to the placement agent and/or the Management Company</p>
EXIT FEE	>	<p>Maximum of 1% of the net asset value, payable to the placement agent and/or the Management Company</p>
CONVERSION FEE	>	<p>Maximum of 1% of the net asset value of the converted shares, payable to the placement agent and/or the Management Company</p>

**COSTS CHARGED TO THE SUB-FUND**

MANAGEMENT FEE	>	<p>For units of Class C1: 2% p.a., payable quarterly on the basis of the average net assets attributable to units of Class C1 during that quarter.</p> <p>For units of Class G1: 1.2% p.a., payable quarterly on the basis of the average net assets attributable to units of Class G1 during that quarter.</p> <p>For units of Class R1: 2.5% p.a., payable quarterly on the basis of the average net assets attributable to units of Class R1 during that quarter.</p>
PERFORMANCE FEE	>	<p>10% of the annual positive growth of the net asset value per unit (i.e. the positive difference between the net asset value calculated at the close of the financial year and the highest net asset value among all the net asset values calculated at the close of previous financial years) multiplied by the average number of units in circulation during the financial year in question. On each valuation day, the performance fee is estimated and provision is made in the net asset value. This fee is payable annually in the month that follows the end of the financial year. No</p>

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		performance fee is payable for as long as the net asset value calculated at the close of the financial year is lower than the highest net asset value among all the net asset values at the close of previous financial years.
CUSTODIAN BANK AND CENTRAL ADMINISTRATION COMMISSION	>	Maximum of 0.20% p.a. of the average net assets of the sub-fund during each quarter with a minimum of EUR 30,000 p.a.
OTHER FEES AND COMMISSIONS	>	The sub-fund will also meet other operating costs. Details of these operating costs are given in Article 15 of the Management Regulations.

**TAXATION**

TAX TREATMENT OF THE FUND	>	No charges or taxes payable in Luxembourg, with the exception of: <ul style="list-style-type: none"><li>• a subscription tax of 0.05% p.a.</li><li>• a subscription tax of 0.01% p.a. for unit class G1</li></ul> (assets invested in UCIs already subject to subscription tax are exempt)
TAX TREATMENT OF UNIT-HOLDERS	>	Payments of dividends or of the redemption price in favour of unit-holders may be subject to withholding tax in accordance with the provisions of European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (hereinafter referred to as "the Directive"). In this case, the investor may opt out of paying the withholding tax by producing an exemption certificate or mandate for exchange of information, depending on the options offered by the paying agent.  The Directive was transcribed into Luxembourg legislation by the Law of 21 June 2005 (hereinafter referred to as "the Law").  The dividends distributed by a sub-fund shall be subject to the Directive and the Law if more than 15% of the sub-fund's assets are invested in debt claims as defined in the Law. The capital gains that a unit-holder earns upon the sale of units of a sub-fund are subject to the Directive and the Law if more than 25% of the sub-fund's assets are invested in debt claims as defined in the Law.  Withholding tax will amount to 35%.  Unit-holders should consult their tax advisers regarding the laws and regulations in their country of origin, residence and domicile.

**MARKETING OF UNITS**

SUBSCRIPTION, REDEMPTION AND CONVERSION	>	Subscription, redemption and conversion orders received before 2 p.m. on a bank working day in Luxembourg shall be executed on the basis of the net asset value on the next valuation day, subject to the fees set out above. Subscriptions and redemptions must be paid up no later than five working days following the date of calculation of the net asset value.  Subscription, redemption and conversion orders are therefore sent by investors at an unknown Net Asset Value.  The attention of investors is drawn to the fact that the Management Company does not authorise "Market Timing" practices. The Management Company reserves the right to reject any subscription or conversion order issued by an investor that the Management Company suspects of employing such practices and to take the necessary measures to protect the other fund investors where necessary.
CLASSES OF UNITS	>	C1, denominated in EUR G1, denominated in EUR R1, denominated in EUR  Units of Class G1 are reserved to entities linked to GUTMANN KAG, Vienna, and to customers of entities linked to GUTMANN KAG, Vienna. Access to this class of units is subject to prior approval by the Board of Directors of the Management Company. This class of units is moreover reserved to institutional investors within the meaning of Article 174 (2) of the Law of 17 December 2010.
DISTRIBUTION METHOD AND POLICY	>	The sub-fund issues capitalisation units only.  The units may be issued in the form of bearer or registered securities.  Units can be issued in fractions of up to one thousandth of a unit or as whole single units or they can be represented by collective certificates available in the case of bearer certificates in denominations of 1, 10 or 100 units. Fractions of bearer shares cannot be physically delivered and will be held at the Custodian Bank in a securities account to be opened for that purpose.

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CALCULATION OF NAV	>	Every day that is a bank working day in Luxembourg ("Valuation Day")
PUBLICATION OF NAV	>	At the registered office of the Management Company
REFERENCE CURRENCY	>	EUR
LAUNCH DATE	>	14 February 1997
ISIN CODES	>	LU0073519844 (Capitalisation) C1, EUR LU0614749942 (Capitalisation) G1, EUR LU0325149366 (Capitalisation) R1, EUR
LISTED ON LUXEMBOURG STOCK EXCHANGE	>	YES

**CONTACTS**

**SUBSCRIPTION, REDEMPTION AND  
CONVERSION**

EFA – Registration Agent  
Fax: +352-48 65 61-8002

**TO ORDER DOCUMENTS RELATING TO THE FUND**

BANQUE DE LUXEMBOURG  
14, boulevard Royal  
L-2449 LUXEMBOURG

The full prospectus, the simplified prospectus and the annual and half-yearly reports may be obtained free of charge from the registered office of the Management Company and of the Custodian Bank.

## **CALLANDER FUND – CHINA UNIVERSE**

Unit classes C1, C2, R1 and R2

### **GENERAL INFORMATION ON THE FUND**

COUNTRY OF REGISTRATION	>	Luxembourg
LEGAL FORM	>	Umbrella Fund (fonds commun de placement à compartiments multiples)
DURATION	>	Unlimited
PROMOTER	>	BANQUE DE LUXEMBOURG, Luxembourg
MANAGEMENT COMPANY	>	CALLANDER MANAGERS S.A.
MANAGER	>	DIAM INTERNATIONAL LTD, London
CUSTODIAN BANK AND CENTRAL ADMINISTRATION	>	BANQUE DE LUXEMBOURG, Luxembourg
CENTRAL ADMINISTRATION SUBCONTRACTOR	>	EUROPEAN FUND ADMINISTRATION, Luxembourg
AUDITOR	>	DELOITTE S.A., Luxembourg
SUPERVISORY AUTHORITY	>	COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER, Luxembourg
ENTITIES AUTHORISED TO RECEIVE SUBSCRIPTION, REDEMPTION AND CONVERSION ORDERS	>	BANQUE DE LUXEMBOURG, Luxembourg EUROPEAN FUND ADMINISTRATION, Luxembourg
PAYING AGENTS	>	CREDIT INDUSTRIEL ET COMMERCIAL, Paris ERSTE BANK DER OESTERREICHISCHEN SPARKASSEN AG, Vienna CREDIT AGRICOLE (SUISSE) S.A., Geneva

### **GENERAL INFORMATION ON THE SUB-FUND**

#### **INVESTMENT POLICY**

SUB-FUND OBJECTIVE	>	To give unit-holders easy access to the Chinese markets, whilst seeking long-term capital growth through a diversified portfolio
INVESTMENT STRATEGY	>	<p>CALLANDER FUND – CHINA UNIVERSE invests at least 70% of its total assets in shares of companies established in or carrying out the bulk of their economic activity in China and quoted on the Hong Kong, Shanghai and Shenzhen stock exchanges. Up to 30% of the portfolio may be invested in companies which are not based in China, but the great majority of whose commercial activities are linked to that country.</p> <p>The sub-fund may not invest more than 10% of its net assets in UCITS or other UCI units at any time.</p> <p>Furthermore, the sub-fund may hold ancillary liquid assets on a temporary basis. With the aim of investing its liquid assets, the sub-fund may invest in debt instruments whose final or residual maturity, considering the financial instruments associated therewith, does not exceed 12 months or in debt instruments for which the rate, considering the financial instruments associated therewith, is adapted at least once a year.</p> <p>In addition, the sub-fund may, within the legal limits, use derivative products for the purposes of hedging or optimising the exposure of the portfolio, through transactions to buy and sell options and futures based on indices and on individual stocks.</p>
MANAGER	>	DIAM INTERNATIONAL LTD (“DIAM International”), the London subsidiary of DIAM Co LTD (“DIAM Tokyo”) is the contracting party of the European and Middle-Eastern clients of the DIAM Group. DIAM Group is one of the most important pension-fund managers in Japan and offers a whole series of domestic vehicles, specialised in the management of Japanese and Asian equities. The DIAM Group is owned to the extent of 50% by Mizuho Financial Group and 50% by the Dai-ichi Mutual Insurance Company Limited.
RISK PROFILE	>	<p>Equities / Emerging countries</p> <p>An investment in shares is equivalent to participation in the activities of the companies underlying the sub-fund. Investors will therefore benefit from the</p>

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**Umbrella Fund**  
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earnings prospects of these enterprises. However, the equity markets are subject to unforeseeable short-term fluctuations which may cause a fall in share prices lasting several years. Investors' attention is drawn to the fact that there is no certainty that they will recover the whole of the capital invested.

Securities traded on emerging markets may carry elevated risks due to political and economic reforms. Some emerging markets may suffer from greater social, economic and political uncertainties or be based, in economic terms, on relatively few industries or on closely interdependent industries.

Since the assets of the sub-fund are subject to market fluctuations and the risks inherent to any kind of investment in transferable securities, the Management Company cannot guarantee that its objectives will be attained.

Moreover, the emerging economies present certain risks not encountered in other, more stable economies. **Therefore such investments should only be contemplated by professional investors who accept that participation in this sub-fund should form part of a balanced investment portfolio.**

INVESTOR PROFILE > Recommended investment horizon: at least 3 years  
This sub-fund is intended for investors wishing to participate in the performance of stock markets. It is desirable that they should already have experience of stock market products before investing in this sub-fund; it is essential that they should be fully aware of the volatility of share markets.

RISK MANAGEMENT METHOD > Commitment approach

**ENTRY, EXIT AND CONVERSION FEES**

ENTRY FEE > Maximum of 4% of the net asset value, payable to the placement agent and/or the Management Company

EXIT FEE > Maximum of 1% of the net asset value, payable to the placement agent and/or the Management Company

CONVERSION FEE > Maximum of 1% of the net asset value of the converted shares, payable to the placement agent and/or the Management Company

**COSTS CHARGED TO THE SUB-FUND**

MANAGEMENT FEE > For units of Classes C1 and C2: 2% p.a., payable quarterly on the basis of the average net assets attributable to units of Class C1 or to units of Class C2, respectively, during that quarter.

For units of Classes R1 and R2: 2.5% p.a., payable quarterly on the basis of the average net assets attributable to units of Class R1 or units of Class R2, respectively, during that quarter.

PERFORMANCE FEE > 10% of the annual positive growth of the net asset value per unit (i.e. the positive difference between the net asset value calculated at the close of the financial year and the highest net asset value among all the net asset values calculated at the close of previous financial years) multiplied by the average number of units in circulation during the financial year in question. On each valuation day, the performance fee is estimated and provision is made in the net asset value. This fee is payable annually in the month that follows the end of the financial year. No performance fee is payable for as long as the net asset value calculated at the close of the financial year is lower than the highest net asset value among all the net asset values at the close of previous financial years.

CUSTODIAN BANK AND CENTRAL ADMINISTRATION COMMISSION > Maximum of 0.20% p.a. of the average net assets of the sub-fund during each quarter with a minimum of EUR 30,000 p.a.

OTHER FEES AND COMMISSIONS > The sub-fund will also meet other operating costs. Details of these operating costs are given in Article 15 of the Management Regulations.

**TAXATION**

TAX TREATMENT OF THE FUND > No charges or taxes payable in Luxembourg, with the exception of:

- 
- a subscription tax of 0.05% p.a. (assets invested in UCIs already subject to subscription tax are exempt)

TAX TREATMENT OF UNIT-HOLDERS > Payments of dividends or of the redemption price in favour of unit-holders may be subject to withholding tax in accordance with the provisions of European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (hereinafter referred to as "the Directive"). In this

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case, the investor may opt out of paying the withholding tax by producing an exemption certificate or mandate for exchange of information, depending on the options offered by the paying agent.

The Directive was transcribed into Luxembourg legislation by the Law of 21 June 2005 (hereinafter referred to as "the Law").

The dividends distributed by a sub-fund shall be subject to the Directive and the Law if more than 15% of the sub-fund's assets are invested in debt claims as defined in the Law. The capital gains that a unit-holder earns upon the sale of units of a sub-fund are subject to the Directive and the Law if more than 25% of the sub-fund's assets are invested in debt claims as defined in the Law.

Withholding tax will amount to 35%.

Unit-holders should consult their tax advisers regarding the laws and regulations in their country of origin, residence and domicile.

**MARKETING OF UNITS**

SUBSCRIPTION, REDEMPTION AND CONVERSION	>	<p>Subscription, redemption and conversion orders received before 2 p.m. on a bank working day in Luxembourg shall be executed on the basis of the net asset value on the next valuation day, subject to the fees set out above. Subscriptions and redemptions must be paid up no later than five working days following the date of calculation of the net asset value.</p> <p>Subscription, redemption and conversion orders are therefore sent by investors at an unknown Net Asset Value.</p> <p>The attention of investors is drawn to the fact that the Management Company does not authorise "Market Timing" practices. The Management Company reserves the right to reject any subscription or conversion order issued by an investor that the Management Company suspects of employing such practices and to take the necessary measures to protect the other fund investors where necessary.</p>
CLASSES OF UNITS	>	<p>Class C1, denominated in USD Class C2, denominated in EUR Class R1, denominated in USD Class R2, denominated in EUR</p> <p>The Management Company shall endeavour to minimise exposure to currency risk of Classes C2 and R2 through hedging techniques and instruments, particularly through forward exchange contracts, swaps, currency futures and options.</p> <p>In view of the volatility of the underlying portfolio, the Management Company cannot guarantee that Classes C2 and R2 are entirely protected against exchange rate risks. Consequently, a residual exchange risk cannot be ruled out.</p>
DISTRIBUTION METHOD AND POLICY	>	<p>The sub-fund issues capitalisation units only.</p> <p>The units may be issued in the form of bearer or registered securities.</p> <p>Units can be issued in fractions of up to one thousandth of a unit or as whole single units or they can be represented by collective certificates available in the case of bearer certificates in denominations of 1, 10 or 100 units. Fractions of bearer shares cannot be physically delivered and will be held at the Custodian Bank in a securities account to be opened for that purpose.</p>
CALCULATION OF NAV	>	Every day that is a bank working day in Luxembourg ("Valuation Day")
PUBLICATION OF NAV	>	At the registered office of the Management Company
REFERENCE CURRENCY	>	USD
LAUNCH DATE	>	17 May 2004
ISIN CODES	>	LU0192479375 (Capitalisation) C1, USD LU0192479615 (Capitalisation) C2, EUR LU0325149440 (Capitalisation) R1, USD LU0325149523 (Capitalisation) R2, EUR
LISTED ON LUXEMBOURG STOCK EXCHANGE	>	YES

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**Umbrella Fund**  
**governed by Luxembourg law**

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**CONTACTS**

**SUBSCRIPTION, REDEMPTION AND  
CONVERSION**

EFA – Registration Agent  
Fax: +352-48 65 61-8002

**TO ORDER DOCUMENTS RELATING TO THE FUND**

BANQUE DE LUXEMBOURG  
14, boulevard Royal  
L-2449 LUXEMBOURG

The full prospectus, the simplified prospectus and the annual and half-yearly reports may be obtained free of charge from the registered office of the Management Company and of the Custodian Bank.

## **CALLANDER FUND – GLOBAL SECURITY**

Unit classes C1, C2, R1 and R2

### **GENERAL INFORMATION ON THE FUND**

COUNTRY OF REGISTRATION	>	Luxembourg
LEGAL FORM	>	Umbrella Fund (fonds commun de placement à compartiments multiples)
DURATION	>	Unlimited
PROMOTER	>	BANQUE DE LUXEMBOURG, Luxembourg
MANAGEMENT COMPANY	>	CALLANDER MANAGERS S.A.
MANAGER	>	GONET & CIE, Geneva
CUSTODIAN BANK AND CENTRAL ADMINISTRATION	>	BANQUE DE LUXEMBOURG, Luxembourg
CENTRAL ADMINISTRATION SUBCONTRACTOR	>	EUROPEAN FUND ADMINISTRATION, Luxembourg
AUDITOR	>	DELOITTE S.A., Luxembourg
SUPERVISORY AUTHORITY	>	COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER, Luxembourg
ENTITIES AUTHORISED TO RECEIVE SUBSCRIPTION, REDEMPTION AND CONVERSION ORDERS	>	BANQUE DE LUXEMBOURG, Luxembourg EUROPEAN FUND ADMINISTRATION, Luxembourg
PAYING AGENTS	>	CREDIT INDUSTRIEL ET COMMERCIAL, Paris ERSTE BANK DER OESTERREICHISCHEN SPARKASSEN AG, Vienna CREDIT AGRICOLE (SUISSE) S.A., Geneva

### **GENERAL INFORMATION ON THE SUB-FUND**

#### **INVESTMENT POLICY**

SUB-FUND OBJECTIVE	>	To give unit-holders easy access to security sectors, whilst seeking long-term capital growth through a diversified portfolio targeted on this theme and invested in regulated markets.
INVESTMENT STRATEGY	>	<p>CALLANDER FUND – GLOBAL SECURITY invests at least 70% of its total assets in companies (shares) that have the bulk of their turnover in a security-related domain in order to achieve an increase in value in the medium to long-term. All investments will as a rule either be listed on a stock exchange or traded on a regulated market in regular operation that is recognised and open to the public. The fund's coverage is global. The following sectors are recognised as falling within the domain of security:</p> <ul style="list-style-type: none"><li>• defence</li><li>• services related to the security of people, companies and governments</li><li>• protection in the realm of computers, including use of the internet</li><li>• surveillance services and activities</li><li>• equipment used for surveillance and detection missions</li><li>• access control</li><li>• identification systems</li></ul>

Securities will be selected on the basis of strict quantitative (balance sheet structure, stock market valuation, growth prospects) and qualitative (quality of management, positioning within the market, low level of obsolescence of the products offered) criteria.

The fund is authorised to invest in transferable securities issued in different currencies. The fund may protect itself against exchange rate risk by way of forward currency operations and other hedging techniques. Operations conducted in a currency may not exceed in volume terms the market value or stock market value of all the assets denominated in that currency.

Non-listed companies may be acquired for an amount not exceeding 10% of the net assets of the sub-fund. Shares in unlisted companies cannot be taken into account as securities unless they can be valued each day and are highly liquid. They may be taken into account only with a market value reduced by a safety margin. The safety margin must take account of the volatility of the share and amount to at least 15%.

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The operational strategy of CALLANDER FUND-GLOBAL SECURITY IS to buy and hold stocks, regardless of short-term market fluctuations with the aim of achieving superior performance in the medium and long term. The Fund manager is permitted, at his own cost, to seek scientific advice in order to help achieve the objective.

Since the assets of the sub-fund are subject to market fluctuations and the risks inherent to any investment in shares, the Management Company cannot guarantee that its objectives will be realised.

The sub-fund may not at any time invest more than 10% of its net assets in units of UCITS or other UCIs investing in shares.

Furthermore, the sub-fund may hold ancillary liquid assets on a temporary basis. With the aim of investing its liquid assets, the sub-fund may invest in debt instruments whose final or residual maturity, considering the financial instruments associated therewith, does not exceed 12 months or in debt instruments for which the rate, considering the financial instruments associated therewith, is adapted at least once a year.

In addition, the sub-fund may, within the legal limits, use derivative products for the purposes of hedging or optimising the exposure of the portfolio, through transactions to buy and sell options and futures based on indices and on individual stocks.

MANAGER	>	GONET & CIE Established in 1845, Gonet & Cie is one of the oldest Swiss banks. Working mainly in the field of wealth management, the bank can draw on long experience in the selection of Swiss securities. As a private bank, Gonet & Cie offers the assurance of complete independence and careful management reflecting the unlimited liability of its partners.
RISK PROFILE	>	Themed international shares / Growth management An investment in shares is equivalent to participation in the activities of the companies underlying the sub-fund. Investors will therefore benefit from the earnings prospects of these enterprises. However, the equity markets are subject to unforeseeable short-term fluctuations which may cause a fall in share prices lasting several years. Investors' attention is drawn to the fact that there is no certainty that they will recover the whole of the capital invested.
INVESTOR PROFILE	>	Recommended investment horizon: at least 5 years This sub-fund is intended for investors wishing to participate in the performance of stock markets. It is desirable that they should already have experience of stock market products before investing in this sub-fund; it is essential that they should be fully aware of the volatility of share markets.
RISK MANAGEMENT METHOD	>	Commitment approach

**ENTRY, EXIT AND CONVERSION FEES**

ENTRY FEE	>	Maximum of 4% of the net asset value, payable to the placement agent and/or the Management Company
EXIT FEE	>	Maximum of 1% of the net asset value, payable to the placement agent and/or the Management Company
CONVERSION FEE	>	Maximum of 1% of the net asset value of the converted shares, payable to the placement agent and/or the Management Company

**COSTS CHARGED TO THE SUB-FUND**

MANAGEMENT FEE	>	For units of Classes C1 and C2: 2% p.a., payable quarterly on the basis of the average net assets attributable to units of Class C1 or to units of Class C2, respectively, during that quarter. For units of Classes R1 and R2: 2.5% p.a., payable quarterly on the basis of the average net assets attributable to units of Class R1 or to units of Class R2, respectively, during that quarter.
PERFORMANCE FEE	>	10% of the annual positive growth of the net asset value per unit (i.e. the positive difference between the net asset value calculated at the close of the financial year and the highest net asset value among all the net asset values calculated at the close of previous financial years) multiplied by the average number of units in circulation during the financial year in question. On each valuation day, the performance fee is estimated and provision is made in the net asset value. This fee is payable annually in the month that follows the end of the financial year. No performance fee is payable for as long as the net asset value calculated at the close of the financial year is lower than the highest net asset

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		value among all the net asset values at the close of previous financial years.
CUSTODIAN BANK AND CENTRAL ADMINISTRATION COMMISSION	>	Maximum of 0.20% p.a. of the average net assets of the sub-fund during each quarter with a minimum of EUR 30,000 p.a.
OTHER FEES AND COMMISSIONS	>	The sub-fund will also meet other operating costs. Details of these operating costs are given in Article 15 of the Management Regulations.

**TAXATION**

TAX TREATMENT OF THE FUND	>	No charges or taxes payable in Luxembourg, with the exception of: <ul style="list-style-type: none"><li>a subscription tax of 0.05% p.a. (assets invested in UCIs already subject to subscription tax are exempt).</li></ul>
TAX TREATMENT OF UNIT-HOLDERS	>	<p>Payments of dividends or of the redemption price in favour of unit-holders may be subject to withholding tax in accordance with the provisions of European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (hereinafter referred to as "the Directive"). In this case, the investor may opt out of paying the withholding tax by producing an exemption certificate or mandate for exchange of information, depending on the options offered by the paying agent.</p> <p>The Directive was transcribed into Luxembourg legislation by the Law of 21 June 2005 (hereinafter referred to as "the Law").</p> <p>The dividends distributed by a sub-fund shall be subject to the Directive and the Law if more than 15% of the sub-fund's assets are invested in debt claims as defined in the Law. The capital gains that a unit-holder earns upon the sale of units of a sub-fund are subject to the Directive and the Law if more than 25% of the sub-fund's assets are invested in debt claims as defined in the Law.</p> <p>Withholding tax will amount to 35%.</p> <p>Unit-holders should consult their tax advisers regarding the laws and regulations in their country of origin, residence and domicile.</p>

**MARKETING OF UNITS**

SUBSCRIPTION, REDEMPTION AND CONVERSION	>	<p>Subscription, redemption and conversion orders received before 2 p.m. on a bank working day in Luxembourg shall be executed on the basis of the net asset value on the next valuation day, subject to the fees set out above. Subscriptions and redemptions must be paid up no later than five working days following the date of calculation of the net asset value.</p> <p>Subscription, redemption and conversion orders are therefore sent by investors at an unknown Net Asset Value.</p> <p>The attention of investors is drawn to the fact that the Management Company does not authorise "Market Timing" practices. The Management Company reserves the right to reject any subscription or conversion order issued by an investor that the Management Company suspects of employing such practices and to take the necessary measures to protect the other fund investors where necessary.</p>
CLASSES OF UNITS	>	<p>C1, denominated in USD C2, denominated in EUR R1, denominated in USD R2, denominated in EUR</p> <p>The Management Company shall endeavour to minimise exposure to currency risk of Classes C2 and R2 through hedging techniques and instruments, particularly through forward exchange contracts, swaps, currency futures and options.</p> <p>In view of the volatility of the underlying portfolio, the Management Company cannot guarantee that Classes C2 and R2 are entirely protected against exchange rate risks. Consequently, a residual exchange risk cannot be ruled out.</p>
DISTRIBUTION METHOD AND POLICY	>	<p>The sub-fund issues capitalisation units only.</p> <p>The units may be issued in the form of bearer or registered securities.</p> <p>Units can be issued in fractions of up to one thousandth of a unit or as whole single units or they can be represented by collective certificates available in the case of bearer certificates in denominations of 1, 10 or 100 units. Fractions of bearer shares cannot be physically delivered and will be held at the Custodian Bank in a securities account to be opened for that purpose.</p>
CALCULATION OF NAV	>	Every day that is a bank working day in Luxembourg ("Valuation Day")

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PUBLICATION OF NAV	>	At the registered office of the Management Company
REFERENCE CURRENCY	>	USD
LAUNCH DATE	>	24 May 2007
ISIN CODES	>	LU0298334862 (Capitalisation) C1, USD LU0298335679 (Capitalisation) C2, EUR LU0325149879 (Capitalisation) R1, USD LU0325149952 (Capitalisation) R2, EUR
LISTED ON LUXEMBOURG STOCK EXCHANGE	>	YES

**CONTACTS**

**SUBSCRIPTION, REDEMPTION AND  
CONVERSION**

EFA – Registration Agent  
Fax: +352-48 65 61-8002

**TO ORDER DOCUMENTS RELATING TO THE FUND**

BANQUE DE LUXEMBOURG  
14, boulevard Royal  
L-2449 LUXEMBOURG

The full prospectus, the simplified prospectus and the annual and half-yearly reports may be obtained free of charge from the registered office of the Management Company and of the Custodian Bank.

## **CALLANDER FUND - JAPAN NEW GROWTH**

Unit classes C1, C2, R1, R2, I1 and I2

### **GENERAL INFORMATION ON THE FUND**

COUNTRY OF REGISTRATION	>	Luxembourg
LEGAL FORM	>	Umbrella Fund (fonds commun de placement à compartiments multiples)
DURATION	>	Unlimited
PROMOTER	>	BANQUE DE LUXEMBOURG, Luxembourg
MANAGEMENT COMPANY	>	CALLANDER MANAGERS S.A.
MANAGER	>	DIAM INTERNATIONAL LTD, London
CUSTODIAN BANK AND CENTRAL ADMINISTRATION	>	BANQUE DE LUXEMBOURG, Luxembourg
CENTRAL ADMINISTRATION SUBCONTRACTOR	>	EUROPEAN FUND ADMINISTRATION, Luxembourg
AUDITOR	>	DELOITTE S.A., Luxembourg
SUPERVISORY AUTHORITY	>	COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER, Luxembourg
ENTITIES AUTHORISED TO RECEIVE SUBSCRIPTION, REDEMPTION AND CONVERSION ORDERS	>	BANQUE DE LUXEMBOURG, Luxembourg EUROPEAN FUND ADMINISTRATION, Luxembourg
PAYING AGENTS	>	CREDIT INDUSTRIEL ET COMMERCIAL, Paris ERSTE BANK DER OESTERREICHISCHEN SPARKASSEN AG, Vienna VERWALTUNGS- UND PRIVAT-BANK AG, Vaduz CREDIT AGRICOLE (SUISSE) S.A., Geneva

### **GENERAL INFORMATION ON THE SUB-FUND**

#### **INVESTMENT POLICY**

SUB-FUND OBJECTIVE	>	To give unit-holders easy access to the Japanese markets, whilst seeking long-term capital growth through a diversified portfolio
INVESTMENT STRATEGY	>	<p>CALLANDER FUND – JAPAN NEW GROWTH invests at least 70% of its total assets in shares in Japanese companies which, in the manager's view, have a growth potential in excess of the market average.</p> <p>The portfolio will be invested largely in shares of Japanese companies selected for their growth opportunities, undervalued assets and management quality. However, the Manager may also select companies that are less well-known but which show great promise in view of their position within Japan's industrial and economic environment.</p> <p>The sub-fund may not invest more than 10% of its net assets in UCITS or other UCI units at any time.</p> <p>Furthermore, the sub-fund may hold ancillary liquid assets on a temporary basis. With the aim of investing its liquid assets, the sub-fund may invest in debt instruments whose final or residual maturity, considering the financial instruments associated therewith, does not exceed 12 months or in debt instruments for which the rate, considering the financial instruments associated therewith, is adapted at least once a year.</p> <p>In addition, the sub-fund may, within the legal limits, use derivative products for the purposes of hedging or optimising the exposure of the portfolio, through transactions to buy and sell options and futures based on indices and on individual stocks.</p> <p>Since the assets of the sub-fund are subject to market fluctuations and the risks inherent to any kind of investment in transferable securities, the Management Company cannot guarantee that its objectives will be attained.</p>
MANAGER	>	DIAM INTERNATIONAL LTD ("DIAM International"), the London subsidiary of DIAM Co LTD ("DIAM Tokyo") is the contracting party of the European and Middle-Eastern clients of the DIAM Group. DIAM Group is one of the most important pension-fund managers in Japan and offers a whole series of domestic vehicles, specialised in the management of Japanese and Asian equities. The DIAM Group is owned to the extent of 50% by Mizuho Financial Group and 50% by the Dai-ichi Mutual Insurance Company Limited.

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RISK PROFILE	>	Equities / Growth management An investment in shares is equivalent to participation in the activities of the companies underlying the sub-fund. Investors will therefore benefit from the earnings prospects of these enterprises. However, the equity markets are subject to unforeseeable short-term fluctuations which may cause a fall in share prices lasting several years. Investors' attention is drawn to the fact that there is no certainty that they will recover the whole of the capital invested.
INVESTOR PROFILE	>	Recommended investment horizon: at least 3 years This sub-fund is intended for investors wishing to participate in the performance of stock markets. It is desirable that they should already have experience of stock market products before investing in this sub-fund; it is essential that they should be fully aware of the volatility of share markets.
RISK MANAGEMENT METHOD	>	Commitment approach

**ENTRY, EXIT AND CONVERSION FEES**

ENTRY FEE	>	Maximum of 4% of the net asset value, payable to the placement agent and/or the Management Company
EXIT FEE	>	Maximum of 1% of the net asset value, payable to the placement agent and/or the Management Company
CONVERSION FEE	>	Maximum of 1% of the net asset value of the converted shares, payable to the placement agent and/or the Management Company

**COSTS CHARGED TO THE SUB-FUND**

MANAGEMENT FEE	>	For units of Classes C1 and C2: 2% p.a., payable quarterly on the basis of the average net assets attributable to units of Class C1 or to units of Class C2, respectively, during that quarter. For units of Classes R1 and R2: 2.5% p.a., payable quarterly on the basis of the average net assets attributable to units of Class R1 or to units of Class R2, respectively, during that quarter.  For units of Classes I1 and I2: 1.2% per annum, payable quarterly on the basis of the average net assets attributable to the units of Class I1 or to units of Class I2, respectively, during that quarter.
CUSTODIAN BANK AND CENTRAL ADMINISTRATION COMMISSION	>	Maximum of 0.20% p.a. of the average net assets of the sub-fund during each quarter with a minimum of EUR 30,000 p.a.
OTHER FEES AND COMMISSIONS	>	The sub-fund will also meet other operating costs. Details of these operating costs are given in Article 15 of the Management Regulations.

**TAXATION**

TAX TREATMENT OF THE FUND	>	No charges or taxes payable in Luxembourg, with the exception of: <ul style="list-style-type: none"><li>• a subscription tax of 0.05% p.a. for unit classes C1, C2, R1 and R2</li><li>• a subscription tax of 0.01% p.a. for unit classes I1 and I2</li></ul> (assets invested in UCIs already subject to subscription tax are exempt)
TAX TREATMENT OF UNIT-HOLDERS	>	Payments of dividends or of the redemption price in favour of unit-holders may be subject to withholding tax in accordance with the provisions of European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (hereinafter referred to as "the Directive"). In this case, the investor may opt out of paying the withholding tax by producing an exemption certificate or mandate for exchange of information, depending on the options offered by the paying agent. The Directive was transcribed into Luxembourg legislation by the Law of 21 June 2005 (hereinafter referred to as "the Law"). The dividends distributed by a sub-fund shall be subject to the Directive and the Law if more than 15% of the sub-fund's assets are invested in debt claims as defined in the Law. The capital gains that a unit-holder earns upon the sale of units of a sub-fund are subject to the Directive and the Law if more than 25% of the sub-fund's assets are invested in debt claims as defined in the Law. Withholding tax will amount to 35%.

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Unit-holders should consult their tax advisers regarding the laws and regulations in their country of origin, residence and domicile.

**MARKETING OF UNITS**

SUBSCRIPTION, REDEMPTION AND CONVERSION	>	<p>Subscription, redemption and conversion orders received before 2 p.m. on a bank working day in Luxembourg shall be executed on the basis of the net asset value on the next valuation day, subject to the fees set out above. Subscriptions and redemptions must be paid up no later than five working days following the date of calculation of the net asset value.</p> <p>Subscription, redemption and conversion orders are therefore sent by investors at an unknown Net Asset Value.</p> <p>The attention of investors is drawn to the fact that the Management Company does not authorise "Market Timing" practices. The Management Company reserves the right to reject any subscription or conversion order issued by an investor that the Management Company suspects of employing such practices and to take the necessary measures to protect the other fund investors where necessary.</p>
CLASSES OF UNITS	>	<p>C1, denominated in JPY C2, denominated in EUR R1, denominated in JPY R2, denominated in EUR I1, denominated in JPY I2, denominated in EUR</p> <p>Unit classes I1 and I2 are reserved for institutional investors within the meaning of Article 174 (2) of the Law of 17 December 2010. A minimum amount applies for initial subscriptions in unit classes I1 and I2.</p> <p>I1 : JPY 1,000,000,000 I2 : EUR 10,000,000</p> <p>The Management Company shall endeavour to minimise exposure to currency risk of Classes C2, R2 and I2 through hedging techniques and instruments, particularly through forward exchange contracts, swaps, currency futures and options.</p> <p>In view of the volatility of the underlying portfolio, the Management Company cannot guarantee that Classes C2, R2 and I2 are entirely protected against exchange rate risks. Consequently, a residual exchange risk cannot be ruled out.</p>
DISTRIBUTION METHOD AND POLICY	>	<p>The sub-fund issues capitalisation units only.</p> <p>The units may be issued in the form of bearer or registered securities.</p> <p>Units can be issued in fractions of up to one thousandth of a unit or as whole single units or they can be represented by collective certificates available in the case of bearer certificates in denominations of 1, 10 or 100 units. Fractions of bearer shares cannot be physically delivered and will be held at the Custodian Bank in a securities account to be opened for that purpose.</p>
CALCULATION OF NAV	>	Every day that is a bank working day in Luxembourg ("Valuation Day")
PUBLICATION OF NAV	>	At the registered office of the Management Company
REFERENCE CURRENCY	>	JPY
LAUNCH DATE	>	17 June 1999
ISIN CODES	>	LU0097747421 (Capitalisation) C1, JPY LU0192479029 (Capitalisation) C2, EUR LU0325150026 (Capitalisation) R1, JPY LU0325150299 (Capitalisation) R2, EUR LU0522165918 (Capitalisation) I1, JPY LU0522167377 (Capitalisation) I2, EUR
LISTED ON LUXEMBOURG STOCK EXCHANGE	>	YES

**CALLANDER FUND  
Umbrella Fund  
governed by Luxembourg law**

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**CONTACTS**

**SUBSCRIPTION, REDEMPTION AND  
CONVERSION**

EFA – Registration Agent  
Fax: +352-48 65 61-8002

**TO ORDER DOCUMENTS RELATING TO THE FUND**

BANQUE DE LUXEMBOURG  
14, boulevard Royal  
L-2449 LUXEMBOURG

The full prospectus, the simplified prospectus and the annual and half-yearly reports may be obtained free of charge from the registered office of the Management Company and of the Custodian Bank.

# **CALLANDER FUND – SWISS GROWTH SMALL AND MID CAP**

Unit classes C1, C2, R1 and R2

## **GENERAL INFORMATION ON THE FUND**

COUNTRY OF REGISTRATION	>	Luxembourg
LEGAL FORM	>	Umbrella Fund (fonds commun de placement à compartiments multiples)
DURATION	>	Unlimited
PROMOTER	>	BANQUE DE LUXEMBOURG, Luxembourg
MANAGEMENT COMPANY	>	CALLANDER MANAGERS S.A.
MANAGER	>	GONET & CIE, Geneva
CUSTODIAN BANK AND CENTRAL ADMINISTRATION	>	BANQUE DE LUXEMBOURG, Luxembourg
CENTRAL ADMINISTRATION SUBCONTRACTOR	>	EUROPEAN FUND ADMINISTRATION, Luxembourg
AUDITOR	>	DELOITTE S.A., Luxembourg
SUPERVISORY AUTHORITY	>	COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER, Luxembourg
ENTITIES AUTHORISED TO RECEIVE SUBSCRIPTION, REDEMPTION AND CONVERSION ORDERS	>	BANQUE DE LUXEMBOURG, Luxembourg EUROPEAN FUND ADMINISTRATION, Luxembourg
PAYING AGENTS	>	CREDIT INDUSTRIEL ET COMMERCIAL, Paris ERSTE BANK DER OESTERREICHISCHEN SPARKASSEN AG, Vienna CREDIT AGRICOLE (SUISSE) S.A., Geneva

## **GENERAL INFORMATION ON THE SUB-FUND**

### **INVESTMENT POLICY**

SUB-FUND OBJECTIVE	>	To give unit-holders easy access to the Swiss markets, whilst seeking long-term capital growth through a diversified portfolio
INVESTMENT STRATEGY	>	<p>CALLANDER FUND – SWISS GROWTH SMALL AND MID CAP invests at least 70% of its total assets in companies which are listed and traded on Swiss markets and included in the stock exchange index “SPI SMC”. The “SPI SMC” index is an index for investors engaged in the sector of small and mid-cap companies quoted on the SWX Swiss Exchange. Such companies have a potential for rapidly rising profits and, as a result, their shares afford a growth potential higher than the market average.</p> <p>Preference will be given to companies operating in clearly defined niches and commercial segments; their competitive position will be sound, not only in the Swiss market but also at international level. Investment research in fast-growing, specialised sectors will be focused in particular on small and medium-sized enterprises.</p> <p>Shares in unlisted companies may be acquired for an amount not exceeding 10% of the assets of the sub-fund. Shares in unlisted companies cannot be taken into account as securities unless they can be valued each day and are highly liquid. They may be taken into account only with a market value reduced by a safety margin. The safety margin must take account of the volatility of the share and amount to at least 15%.</p> <p>This investment approach implies a long-term objective; consequently the quarterly results will not always be in line with the Swiss stock market index. Since the assets of the sub-fund are subject to market fluctuations and the risks inherent to any investment in shares, the Management Company cannot guarantee that its objectives will be realised.</p> <p>The sub-fund may not invest more than 10% of its net assets in UCITS or other UCI units at any time.</p> <p>Furthermore, the sub-fund may hold ancillary liquid assets on a temporary basis. With the aim of investing its liquid assets, the sub-fund may invest in debt</p>

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instruments whose final or residual maturity, considering the financial instruments associated therewith, does not exceed 12 months or in debt instruments for which the rate, considering the financial instruments associated therewith, is adapted at least once a year.

In addition, the sub-fund may, within the legal limits, use derivative products for the purposes of hedging or optimising the exposure of the portfolio, through transactions to buy and sell options and futures based on indices and on individual stocks.

MANAGER	>	GONET & CIE Established in 1845, Gonet & Cie is one of the oldest Swiss banks. Working mainly in the field of wealth management, the bank can draw on long experience in the selection of Swiss securities. As a private bank, Gonet & Cie offers the assurance of complete independence and careful management reflecting the unlimited liability of its partners. All employees involved in wealth management work at the bank's registered office in Geneva. This proximity makes the decision-taking process highly reactive and very efficient.
RISK PROFILE	>	Equities / Growth management An investment in shares is equivalent to participation in the activities of the companies underlying the sub-fund. Investors will therefore benefit from the earnings prospects of these enterprises. However, the equity markets are subject to unforeseeable short-term fluctuations which may cause a fall in share prices lasting several years. Investors' attention is drawn to the fact that there is no certainty that they will recover the whole of the capital invested.
INVESTOR PROFILE	>	Recommended investment horizon: at least 3 years This sub-fund is intended for investors wishing to participate in the performance of stock markets. It is desirable that they should already have experience of stock market products before investing in this sub-fund; it is essential that they should be fully aware of the volatility of share markets.
RISK MANAGEMENT METHOD	>	Commitment approach

**ENTRY, EXIT AND CONVERSION FEES**

ENTRY FEE	>	Maximum of 4% of the net asset value, payable to the placement agent and/or the Management Company
EXIT FEE	>	Maximum of 1% of the net asset value, payable to the placement agent and/or the Management Company
CONVERSION FEE	>	Maximum of 1% of the net asset value of the converted shares, payable to the placement agent and/or the Management Company

**COSTS CHARGED TO THE SUB-FUND**

MANAGEMENT FEE	>	For units of Classes C1 and C2: 2% p.a., payable quarterly on the basis of the average net assets attributable to units of Class C1 or to units of Class C2, respectively, during that quarter. For units of Classes R1 and R2: 2.5% p.a., payable quarterly on the basis of the average net assets attributable to units of Class R1 or to units of Class R2, respectively, during that quarter.
PERFORMANCE FEE	>	10% of the annual positive growth of the net asset value per unit (i.e. the positive difference between the net asset value calculated at the close of the financial year and the highest net asset value among all the net asset values calculated at the close of previous financial years) multiplied by the average number of units in circulation during the financial year in question. On each valuation day, the performance fee is estimated and provision is made in the net asset value. This fee is payable annually in the month that follows the end of the financial year. No performance fee is payable for as long as the net asset value calculated at the close of the financial year is lower than the highest net asset value among all the net asset values at the close of previous financial years.
CUSTODIAN BANK AND CENTRAL ADMINISTRATION COMMISSION	>	Maximum of 0.20% p.a. of the average net assets of the sub-fund during each quarter with a minimum of EUR 30,000 p.a.
OTHER FEES AND COMMISSIONS	>	The sub-fund will also meet other operating costs. Details of these operating costs are given in Article 15 of the Management Regulations.

**TAXATION**

TAX TREATMENT OF THE FUND	>	No charges or taxes payable in Luxembourg, with the exception of:
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**CALLANDER FUND**  
**Umbrella Fund**  
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- a subscription tax of 0.05% p.a. (assets invested in UCIs already subject to subscription tax are exempt).
- TAX TREATMENT OF UNIT-HOLDERS > Payments of dividends or of the redemption price in favour of unit-holders may be subject to withholding tax in accordance with the provisions of European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (hereinafter referred to as "the Directive"). In this case, the investor may opt out of paying the withholding tax by producing an exemption certificate or mandate for exchange of information, depending on the options offered by the paying agent.
- The Directive was transcribed into Luxembourg legislation by the Law of 21 June 2005 (hereinafter referred to as "the Law").
- The dividends distributed by a sub-fund shall be subject to the Directive and the Law if more than 15% of the sub-fund's assets are invested in debt claims as defined in the Law. The capital gains that a unit-holder earns upon the sale of units of a sub-fund are subject to the Directive and the Law if more than 25% of the sub-fund's assets are invested in debt claims as defined in the Law.
- Withholding tax will amount to 35%.
- Unit-holders should consult their tax advisers regarding the laws and regulations in their country of origin, residence and domicile.

**MARKETING OF UNITS**

- SUBSCRIPTION, REDEMPTION AND CONVERSION > Subscription, redemption and conversion orders received before 2 p.m. on a bank working day in Luxembourg shall be executed on the basis of the net asset value on the next valuation day, subject to the fees set out above. Subscriptions and redemptions must be paid up no later than five working days following the date of calculation of the net asset value.
- Subscription, redemption and conversion orders are therefore sent by investors at an unknown Net Asset Value.
- The attention of investors is drawn to the fact that the Management Company does not authorise "Market Timing" practices. The Management Company reserves the right to reject any subscription or conversion order issued by an investor that the Management Company suspects of employing such practices and to take the necessary measures to protect the other fund investors where necessary.
- CLASSES OF UNITS > C1, denominated in CHF  
C2, denominated in EUR  
R1, denominated in CHF  
R2, denominated in EUR
- The Management Company shall endeavour to minimise exposure to currency risk of Classes C2 and R2 through hedging techniques and instruments, particularly through forward exchange contracts, swaps, currency futures and options.
- In view of the volatility of the underlying portfolio, the Management Company cannot guarantee that Classes C2 and R2 are entirely protected against exchange rate risks. Consequently, a residual exchange risk cannot be ruled out.
- DISTRIBUTION METHOD AND POLICY > The sub-fund issues capitalisation units only.
- The units may be issued in the form of bearer or registered securities.
- Units can be issued in fractions of up to one thousandth of a unit or as whole single units or they can be represented by collective certificates available in the case of bearer certificates in denominations of 1, 10 or 100 units. Fractions of bearer shares cannot be physically delivered and will be held at the Custodian Bank in a securities account to be opened for that purpose.
- CALCULATION OF NAV > Every day that is a bank working day in Luxembourg ("Valuation Day")
- PUBLICATION OF NAV > At the registered office of the Management Company
- REFERENCE CURRENCY > CHF
- LAUNCH DATE > 5 February 1990
- ISIN CODES > LU0012160239 (Capitalisation) C1, CHF  
LU0272061077 (Capitalisation) C2, EUR  
LU0325150372 (Capitalisation) R1, CHF  
LU0325150455 (Capitalisation) R2, EUR
- LISTED ON LUXEMBOURG > YES

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Umbrella Fund  
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STOCK EXCHANGE

**CONTACTS**

**SUBSCRIPTION, REDEMPTION AND  
CONVERSION**

EFA – Registration Agent

Fax:+352-48 65 61-8002

**TO ORDER DOCUMENTS RELATING TO THE FUND**

BANQUE DE LUXEMBOURG

14, boulevard Royal

L-2449 LUXEMBOURG

The full prospectus, the simplified prospectus and the annual and half-yearly reports may be obtained free of charge from the registered office of the Management Company and of the Custodian Bank.

# **CALLANDER FUND – SOUTH EASTERN EUROPE**

## Unit classes C1, R1

### **GENERAL INFORMATION ON THE FUND**

COUNTRY OF REGISTRATION	>	Luxembourg
LEGAL FORM	>	Umbrella Fund (fonds commun de placement à compartiments multiples)
DURATION	>	Unlimited
PROMOTER	>	BANQUE DE LUXEMBOURG, Luxembourg
MANAGEMENT COMPANY	>	CALLANDER MANAGERS S.A.
MANAGER	>	GUTMANN KAG, Vienna
CUSTODIAN BANK AND CENTRAL ADMINISTRATION	>	BANQUE DE LUXEMBOURG, Luxembourg
CENTRAL ADMINISTRATION SUBCONTRACTOR	>	EUROPEAN FUND ADMINISTRATION, Luxembourg
AUDITOR	>	DELOITTE S.A., Luxembourg
SUPERVISORY AUTHORITY	>	COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER, Luxembourg
ENTITIES AUTHORISED TO RECEIVE SUBSCRIPTION, REDEMPTION AND CONVERSION ORDERS	>	BANQUE DE LUXEMBOURG, Luxembourg EUROPEAN FUND ADMINISTRATION, Luxembourg
PAYING AGENTS	>	CREDIT INDUSTRIEL ET COMMERCIAL, Paris ERSTE BANK DER OESTERREICHISCHEN SPARKASSEN AG, Vienna CREDIT AGRICOLE (SUISSE) S.A., Geneva

### **GENERAL INFORMATION ON THE SUB-FUND**

#### **INVESTMENT POLICY**

SUB-FUND OBJECTIVE	>	To give unit-holders easy access to the markets of South Eastern Europe, whilst seeking long-term capital growth through a diversified portfolio
INVESTMENT STRATEGY	>	<p>CALLANDER FUND – SOUTH EASTERN EUROPE invests at least 70% of its total assets in shares in companies that are admitted to official listing on a stock exchange or traded on another regulated market, in accordance with Article 41 of the Law of 17 December 2010 on collective investment undertakings, in Croatia, Serbia, Slovenia, Romania or Bulgaria; those securities will appear mainly in the index of their respective stock exchanges. However, the Manager may decide to increase or decrease the weighting of the respective stock exchanges and also extend it to shares listed on markets of South Eastern Europe and the Balkans other than those mentioned above depending on its assessment of the economic soundness of the countries concerned.</p> <p>The investments in South Eastern Europe may also be made through Global Depositary Receipts (GDRs) admitted to official listing on a stock exchange or traded on another regulated market.</p> <p>The sub-fund may not invest more than 10% of its net assets in UCITS or other UCI units at any time.</p> <p>Unlisted companies may be acquired depending on the possibilities for an amount not exceeding 10% of the net assets of the sub-fund. Shares in unlisted companies cannot be taken into account as securities unless they can be valued each day and are highly liquid. They may be taken into account only with a market value reduced by a safety margin. The safety margin must take account of the volatility of the share and amount to at least 15%.</p> <p>Furthermore, the sub-fund may hold ancillary liquid assets on a temporary basis. With the aim of investing its liquid assets, the sub-fund may invest in debt instruments whose final or residual maturity, considering the financial instruments associated therewith, does not exceed 12 months or in debt instruments for which the rate, considering the financial instruments associated therewith, is adapted at least once a year.</p> <p>The sub-fund may invest in an ancillary manner in monetary funds or Treasury Bills.</p> <p>Depending on market conditions and/or the prospects offered by the markets, the sub-fund may exceptionally and temporarily hold liquidities up to 100% of its</p>

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**Umbrella Fund**  
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net assets. With a view to investing its liquidities, the sub-fund may invest in:

- cash deposits,
- money market instruments and/or
- UCITS and other UCI invested in cash deposits and/or money market instruments.

In addition, the sub-fund may, within the legal limits, use derivative products for the purposes of hedging or optimising the exposure of the portfolio, through transactions to buy and sell options and futures based on indices and on individual stocks.

MANAGER > GUTMANN KAG (Gutmann Kapitalanlagegesellschaft, the management company of Banque Gutmann) is a 100% subsidiary of Banque Gutmann. The fact that Gutmann is not affiliated to any banking or industrial group secures it a high measure of independence and flexibility. All the asset management activities of the Gutmann Group are concentrated in the KAG.

RISK PROFILE > Equities / Emerging countries  
An investment in shares is equivalent to participation in the activities of the companies underlying the sub-fund. Investors will therefore benefit from the earnings prospects of these enterprises. However, the equity markets are subject to unforeseeable short-term fluctuations which may cause a fall in share prices lasting several years. Investors' attention is drawn to the fact that there is no certainty that they will recover the whole of the capital invested.

The South Eastern European securities markets are not as large as the better established markets and deal in substantially smaller transaction volumes due to lack of liquidity and price volatility. Some markets are only in the first stages of development. In certain countries of South Eastern Europe, there is a tendency for market capitalisation and the volume of transactions to be concentrated on a small number of issuers representing a limited number of economic sectors, as well as a large concentration of investors and financial intermediaries. These factors reduce the potential of portfolio investments and can have an adverse effect on the investment performance of a portfolio whose objective is to invest primarily in the countries of South Eastern Europe.

The emerging economies present certain risks not encountered in other, more stable economies. The political and social uncertainties existing in many South Eastern European countries play a significant role in this regard. Moreover, the governments of many of these countries have a considerable impact on the regulation and control of the economy, and the inadequacy of the legal systems of some South Eastern European countries can also have negative repercussions for a portfolio.

It is also important to bear in mind the possible lack of custodian services in certain South Eastern European countries, which can give rise to additional costs and delays relating to the transfer and keeping of securities outside these countries. Furthermore, in certain circumstances a portfolio may incur additional costs for using custodian services in a country other than that in which the securities are traded. Operating regulations in some countries may expose a portfolio to the risk of insolvency of other parties involved in the settlement process, and to the risk of delays and losses.

**Therefore such investments should only be contemplated by well-informed investors who accept that participation in this sub-fund should form part of a balanced investment portfolio.**

INVESTOR PROFILE > Recommended investment horizon: 5 to 10 years  
This sub-fund is intended for investors wishing to participate in the performance of stock markets of South Eastern Europe. It is desirable that they should already have experience of stock market products before investing in this sub-fund; it is essential that they should be fully aware of the volatility of share markets.

RISK MANAGEMENT METHOD > Commitment approach

**ENTRY, EXIT AND CONVERSION FEES**

ENTRY FEE > Maximum of 4% of the net asset value, payable to the placement agent and/or the Management Company

EXIT FEE > Maximum of 1% of the net asset value, payable to the placement agent and/or the Management Company

CONVERSION FEE > Maximum of 1% of the net asset value of the converted shares, payable to the placement agent and/or the Management Company

**CALLANDER FUND**  
**Umbrella Fund**  
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**COSTS CHARGED TO THE SUB-FUND**

- |  |   |   |
|--|---|---|
| MANAGEMENT FEE   | > | For units of Class C1: 2% p.a., payable quarterly on the basis of the average net assets attributable to units of Class C1 during that quarter.<br><br>For units of Class R1: 2.5% p.a., payable quarterly on the basis of the average net assets attributable to units of Class R1 during that quarter.  |
| PERFORMANCE FEE  | > | 10% of the annual positive growth of the net asset value per unit (i.e. the positive difference between the net asset value calculated at the close of the financial year and the highest net asset value among all the net asset values calculated at the close of previous financial years) multiplied by the average number of units in circulation during the financial year in question. On each valuation day, the performance fee is estimated and provision is made in the net asset value. This fee is payable annually in the month that follows the end of the financial year. No performance fee is payable for as long as the net asset value calculated at the close of the financial year is lower than the highest net asset value among all the net asset values at the close of previous financial years. |
| CUSTODIAN BANK AND<br>CENTRAL ADMINISTRATION<br>COMMISSION | > | Maximum of 0.20% p.a. of the average net assets of the sub-fund during each quarter with a minimum of EUR 30,000 p.a.   |
| OTHER FEES AND<br>COMMISSIONS                              | > | The sub-fund will also meet other operating costs. Details of these operating costs are given in Article 15 of the Management Regulations.  |

**TAXATION**

- |                                   |   |  |
|-----------------------------------|---|--|
| TAX TREATMENT OF THE<br>FUND      | > | No charges or taxes payable in Luxembourg, with the exception of: <ul style="list-style-type: none"><li>• a subscription tax of 0.05% p.a. (assets invested in UCIs already subject to subscription tax are exempt)</li></ul>  |
| TAX TREATMENT OF UNIT-<br>HOLDERS | > | Payments of dividends or of the redemption price in favour of unit-holders may be subject to withholding tax in accordance with the provisions of European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (hereinafter referred to as "the Directive"). In this case, the investor may opt out of paying the withholding tax by producing an exemption certificate or mandate for exchange of information, depending on the options offered by the paying agent.<br><br>The Directive was transcribed into Luxembourg legislation by the Law of 21 June 2005 (hereinafter referred to as "the Law").<br><br>The dividends distributed by a sub-fund shall be subject to the Directive and the Law if more than 15% of the sub-fund's assets are invested in debt claims as defined in the Law. The capital gains that a unit-holder earns upon the sale of units of a sub-fund are subject to the Directive and the Law if more than 25% of the sub-fund's assets are invested in debt claims as defined in the Law.<br><br>Withholding tax will amount to 35%.<br><br>Unit-holders should consult their tax advisers regarding the laws and regulations in their country of origin, residence and domicile. |

**MARKETING OF UNITS**

- |   |   |   |
|---|---|---|
| SUBSCRIPTION,<br>REDEMPTION AND<br>CONVERSION | > | Subscription, redemption and conversion orders received before 2 p.m. on a bank working day in Luxembourg shall be executed on the basis of the net asset value on the next valuation day, subject to the fees set out above. Subscriptions and redemptions must be paid up no later than five working days following the date of calculation of the net asset value.<br><br>Subscription, redemption and conversion orders are therefore sent by investors at an unknown Net Asset Value.<br><br>The attention of investors is drawn to the fact that the Management Company does not authorise "Market Timing" practices. The Management Company reserves the right to reject any subscription or conversion order issued by an investor that the Management Company suspects of employing such practices and to take the necessary measures to protect the other fund investors where necessary. |
| CLASSES OF UNITS                              | > | C1, denominated in EUR<br>R1, denominated in EUR  |
| DISTRIBUTION METHOD AND<br>POLICY             | > | The sub-fund issues capitalisation units only.<br><br>The units may be issued in the form of bearer or registered securities.<br><br>Units can be issued in fractions of up to one thousandth of a unit or as whole   |

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**Umbrella Fund**  
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single units or they can be represented by collective certificates available in the case of bearer certificates in denominations of 1, 10 or 100 units. Fractions of bearer shares cannot be physically delivered and will be held at the Custodian Bank in a securities account to be opened for that purpose.

CALCULATION OF NAV	>	Every day that is a bank working day in Luxembourg ("Valuation Day")
PUBLICATION OF NAV	>	At the registered office of the Management Company
REFERENCE CURRENCY	>	EUR
LAUNCH DATE	>	10 July 2008
ISIN CODES	>	LU0373272714 (Capitalisation) C1, EUR LU0373273019 (Capitalisation) R1, EUR
LISTED ON LUXEMBOURG STOCK EXCHANGE	>	YES

**CONTACTS**

**SUBSCRIPTION, REDEMPTION AND  
CONVERSION**

EFA – Registration Agent  
Fax: +352-48 65 61-8002

**TO ORDER DOCUMENTS RELATING TO THE FUND**

BANQUE DE LUXEMBOURG  
14, boulevard Royal  
L-2449 LUXEMBOURG

The full prospectus, the simplified prospectus and the annual and half-yearly reports may be obtained free of charge from the registered office of the Management Company and of the Custodian Bank.

# **CALLANDER FUND – DIAM ASIA PACIFIC EX JAPAN**

Unit classes C1, C2, I1, I2 and S1

## **GENERAL INFORMATION ON THE FUND**

COUNTRY OF REGISTRATION	>	Luxembourg
LEGAL FORM	>	Umbrella Fund (fonds commun de placement à compartiments multiples)
DURATION	>	Unlimited
PROMOTER	>	BANQUE DE LUXEMBOURG, Luxembourg
MANAGEMENT COMPANY	>	CALLANDER MANAGERS S.A.
MANAGER	>	DIAM INTERNATIONAL LTD, London
CUSTODIAN BANK AND CENTRAL ADMINISTRATION	>	BANQUE DE LUXEMBOURG, Luxembourg
CENTRAL ADMINISTRATION SUBCONTRACTOR	>	EUROPEAN FUND ADMINISTRATION, Luxembourg
AUDITOR	>	DELOITTE S.A., Luxembourg
SUPERVISORY AUTHORITY	>	COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER, Luxembourg
ENTITIES AUTHORISED TO RECEIVE SUBSCRIPTION, REDEMPTION AND CONVERSION ORDERS	>	BANQUE DE LUXEMBOURG, Luxembourg EUROPEAN FUND ADMINISTRATION, Luxembourg
PAYING AGENTS	>	CREDIT INDUSTRIEL ET COMMERCIAL, Paris ERSTE BANK DER OESTERREICHISCHEN SPARKASSEN AG, Vienna CREDIT AGRICOLE (SUISSE) S.A., Geneva

## **GENERAL INFORMATION ON THE SUB-FUND**

### **INVESTMENT POLICY**

SUB-FUND OBJECTIVE	>	To give unit-holders access to the Asia-Pacific markets, whilst seeking long-term capital growth through a diversified portfolio.
INVESTMENT STRATEGY	>	<p>The net assets of CALLANDER FUND – DIAM ASIA PACIFIC EX JAPAN shall be mainly invested in shares of companies established in or carrying out the bulk of their economic activity in the Asia-Pacific area in countries such as China, Korea, Taiwan, Hong Kong, Thailand, Singapore, Malaysia, Indonesia, the Philippines, India, Australia and New Zealand. This list of countries is given for information purposes only and is not exclusive.</p> <p>The investments in the Asia-Pacific area may also be made through instruments such as Global Depositary Receipts (GDRs) and American Depositary Receipts (ADRs).</p> <p>The sub-fund may not invest more than 10% of its net assets in UCITS or other UCI units at any time.</p> <p>Furthermore, the sub-fund may hold ancillary liquid assets on a temporary basis. With the aim of investing its liquid assets, the sub-fund may invest in debt instruments whose final or residual maturity, considering the financial instruments associated therewith, does not exceed 12 months or in debt instruments for which the rate, considering the financial instruments associated therewith, is adapted at least once a year.</p> <p>In addition, the sub-fund may, within the legal limits, use derivative products for the purposes of hedging or optimising the exposure of the portfolio, through transactions to buy and sell options and futures based on indices and on individual stocks.</p>
MANAGER	>	DIAM INTERNATIONAL LTD (“DIAM International”), the London subsidiary of DIAM Co LTD (“DIAM Tokyo”) is the contracting party of the European and Middle-Eastern clients of the DIAM Group. DIAM Group is one of the most important pension-fund managers in Japan and offers a whole series of domestic vehicles, specialised in the management of Japanese and Asian equities. The DIAM Group is owned to the extent of 50% by Mizuho Financial Group and 50% by the Dai-ichi Mutual Insurance Company Limited.

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**Umbrella Fund**  
**governed by Luxembourg law**

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RISK PROFILE	>	<p>Equities / Emerging countries</p> <p>An investment in shares is equivalent to participation in the activities of the companies underlying the sub-fund. Investors will therefore benefit from the earnings prospects of these enterprises. However, the equity markets are subject to unforeseeable short-term fluctuations which may cause a fall in share prices lasting several years. Investors' attention is drawn to the fact that there is no certainty that they will recover the whole of the capital invested.</p> <p>Securities traded on emerging markets may carry elevated risks due to political and economic reforms. Some emerging markets may suffer from greater social, economic and political uncertainties or be based, in economic terms, on relatively few industries or on closely interdependent industries.</p> <p>Since the assets of the sub-fund are subject to market fluctuations and the risks inherent to any kind of investment in transferable securities, the Management Company cannot guarantee that its objectives will be attained.</p> <p>Moreover, the emerging economies present certain risks not encountered in other, more stable economies. <b>Therefore such investments should only be contemplated by professional investors who accept that participation in this sub-fund should form part of a balanced investment portfolio.</b></p>
INVESTOR PROFILE	>	<p>Recommended investment horizon: at least 3 years</p> <p>This sub-fund is intended for investors wishing to participate in the performance of stock markets. It is desirable that they should already have experience of stock market products before investing in this sub-fund; it is essential that they should be fully aware of the volatility of share markets.</p>
RISK MANAGEMENT METHOD	>	<p>Commitment approach</p>

**ENTRY, EXIT AND CONVERSION FEES**

ENTRY FEE	>	<p>Maximum of 4% of the net asset value, payable to the placement agent and/or the Management Company</p>
EXIT FEE	>	<p>Maximum of 1% of the net asset value, payable to the placement agent and/or the Management Company</p>
CONVERSION FEE	>	<p>Maximum of 1% of the net asset value of the converted shares, payable to the placement agent and/or the Management Company</p>

**COSTS CHARGED TO THE SUB-FUND**

MANAGEMENT FEE	>	<p>For units of Classes C1 and C2: 2% p.a., payable quarterly on the basis of the average net assets attributable to units of Class C1 or to units of Class C2, respectively, during that quarter.</p> <p>For units of Classes I1 and I2: 1.2% p.a., payable quarterly on the basis of the average net assets attributable to units of Class I1 or units of Class I2, respectively, during that quarter.</p> <p>For units of Class S1: 0.9% p.a., payable quarterly on the basis of the average net assets attributable to units of Class S1 during that quarter.</p>
CUSTODIAN BANK AND CENTRAL ADMINISTRATION COMMISSION	>	<p>Maximum of 0.20% p.a. of the average net assets of the sub-fund during each quarter with a minimum of EUR 20,000 p.a.</p>
OTHER FEES AND COMMISSIONS	>	<p>The sub-fund will also meet other operating costs. Details of these operating costs are given in Article 15 of the Management Regulations.</p>

**TAXATION**

TAX TREATMENT OF THE FUND	>	<p>No charges or taxes payable in Luxembourg, with the exception of:</p> <ul style="list-style-type: none"><li>• a subscription tax of 0.05% p.a. for Classes C1 and C2</li><li>• a subscription tax of 0.01% p.a. for Classes I1, I2 and S1</li></ul> <p>(assets invested in UCIs already subject to subscription tax are exempt)</p>
TAX TREATMENT OF UNIT-HOLDERS	>	<p>Payments of dividends or of the redemption price in favour of unit-holders may be subject to withholding tax in accordance with the provisions of European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (hereinafter referred to as "the Directive"). In this case, the investor may opt out of paying the withholding tax by producing an exemption certificate or mandate for exchange of information, depending on the options offered by the paying agent.</p>

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**Umbrella Fund**  
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The Directive was transcribed into Luxembourg legislation by the Law of 21 June 2005 (hereinafter referred to as “the Law”).

The dividends distributed by a sub-fund shall be subject to the Directive and the Law if more than 15% of the sub-fund’s assets are invested in debt claims as defined in the Law. The capital gains that a unit-holder earns upon the sale of units of a sub-fund are subject to the Directive and the Law if more than 25% of the sub-fund’s assets are invested in debt claims as defined in the Law.

Withholding tax will amount to 35%.

Unit-holders should consult their tax advisers regarding the laws and regulations in their country of origin, residence and domicile.

**MARKETING OF UNITS**

**SUBSCRIPTION,  
REDEMPTION AND  
CONVERSION**

- > Subscription, redemption and conversion orders received before 2 p.m. on a bank working day in Luxembourg shall be executed on the basis of the net asset value on the next valuation day, subject to the fees set out above. Subscriptions and redemptions must be paid up no later than five working days following the date of calculation of the net asset value.

Subscription, redemption and conversion orders are therefore sent by investors at an unknown Net Asset Value.

The attention of investors is drawn to the fact that the Management Company does not authorise “Market Timing” practices. The Management Company reserves the right to reject any subscription or conversion order issued by an investor that the Management Company suspects of employing such practices and to take the necessary measures to protect the other fund investors where necessary.

**CLASSES OF UNITS**

- > Class C1, denominated in USD  
Class C2, denominated in EUR  
Class I1, denominated in USD  
Class I2, denominated in EUR  
Class S1, denominated in USD

Unit classes I1 and I2 are reserved for institutional investors within the meaning of Article 174 (2) of the Law of 17 December 2010. A minimum amount applies for initial subscriptions in unit classes I1 and I2.

I1: USD 20,000,000

I2 : EUR 10,000,000

Units of Class S1 are reserved for entities of the DIAM Group which, moreover, must be institutional investors within the meaning of Article 174 (2) of the Law of 17 December 2010. Units of Class S1 may be subscribed for by financial institutions, provided those institutions confirm to the Management Company or the transfer agent that they are acting exclusively in connection with subscription and/or conversion orders of an entity of the DIAM Group.

The Management Company shall endeavour to minimise exposure to currency risk of Classes C2 and I2 through hedging techniques and instruments, particularly through forward exchange contracts, swaps, currency futures and options.

In view of the volatility of the underlying portfolio, the Management Company cannot guarantee that Classes C2 and I2 are entirely protected against exchange rate risks. Consequently, a residual exchange risk cannot be ruled out.

**DISTRIBUTION METHOD AND  
POLICY**

- > The sub-fund issues capitalisation units only.

The units may be issued in the form of bearer or registered securities.

Units can be issued in fractions of up to one thousandth of a unit or as whole single units or they can be represented by collective certificates available in the case of bearer certificates in denominations of 1, 10 or 100 units. Fractions of bearer shares cannot be physically delivered and will be held at the Custodian Bank in a securities account to be opened for that purpose.

**CALCULATION OF NAV**

- > Every day that is a bank working day in Luxembourg (“Valuation Day”)

**PUBLICATION OF NAV**

- > At the registered office of the Management Company

**REFERENCE CURRENCY**

- > USD

**CALLANDER FUND**  
**Umbrella Fund**  
**governed by Luxembourg law**

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LAUNCH DATE	>	6 December 2010
ISIN CODES	>	LU0551507535 (Capitalisation) C1, USD LU0551508004 (Capitalisation) C2, EUR LU0551508186 (Capitalisation) I1, USD LU0551508343 (Capitalisation) I2, EUR LU0551510083 (Capitalisation) S1, USD
LISTED ON LUXEMBOURG STOCK EXCHANGE	>	YES

**CONTACTS**

**SUBSCRIPTION, REDEMPTION AND  
CONVERSION**

EFA – Registration Agent  
Fax: +352-48 65 61-8002

**TO ORDER DOCUMENTS RELATING TO THE FUND**

BANQUE DE LUXEMBOURG  
14, boulevard Royal  
L-2449 LUXEMBOURG

The full prospectus, the simplified prospectus and the annual and half-yearly reports may be obtained free of charge from the registered office of the Management Company and of the Custodian Bank.

**CALLANDER FUND**  
**Management Regulations**

**CALLANDER FUND**  
**Umbrella Fund**  
**governed by Luxembourg law**

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## **1. DESCRIPTION OF THE FUND**

CALLANDER FUND is an Umbrella Fund (fonds commun de placement à compartiments multiples) under Luxembourg law (hereafter referred to as the "Fund"), subject to the provisions of Part 1 of the Law of 20 December 2002 governing Undertakings for Collective Investment in Transferable Securities, incorporating the provisions of the European Directive of 20 December 1985 (85/611/EEC) as amended.

The assets of the Fund are deposited with a custodian bank (hereafter referred to as "the Custodian Bank"). The assets of the Fund are distinct from those of the Management Company.

The rights and obligations attaching to unit-holders, the Management Company and the Custodian Bank are contractually defined by the provisions set forth below which constitute the management regulations of the Fund (hereafter referred to as the "Management Regulations").

By acquiring units of the Fund, unit-holders fully commit themselves to the terms of the present Management Regulations. The Management Regulations do not require participants to attend the annual general meeting of unit-holders.

The Management Company reserves the right to create new sub-funds. All the sub-funds together constitute the Fund.

## **2. MANAGEMENT COMPANY**

The management of the Fund is entrusted to CALLANDER MANAGERS S.A., formed on 7 October 1988 for an unlimited period in the form of a Public Limited Company governed by Luxembourg law. The Management Company is subject to the provisions of Section 13 of the Law of 20 December 2002 on Undertakings for Collective Investment. Its registered office is situated in Luxembourg (Grand Duchy of Luxembourg).

The memorandum of association of the Management Company was published in the Mémorial, Recueil des Sociétés et Associations on 18 November 1988. The articles of association as amended for the last time by the Extraordinary General Meeting of 2 June 2009 were published in the Mémorial, Recueil des Sociétés et Associations on 25 June 2009. The coordinated articles of association were filed at the Luxembourg Commercial and Companies Register, from which copies may be obtained. Its registration number is B 28 949.

The object of the Management Company is the establishment, administration and management of the "CALLANDER FUND", a collective investment fund (fonds commun de placement), and the issue of certificates or confirmations representing or documenting undivided co-ownership shares in the Fund.

The subscribed and fully paid-up capital of the Management Company is EUR 500,000 (five hundred thousand euros). It is represented by 5,000 no-par-value registered shares.

The Management Company has the most extensive powers to perform all acts of management, administration and promotion of the Fund on behalf and for the account of the unit-holders.

Under its responsibility and control, the Management Company has appointed BANQUE DE LUXEMBOURG as central administration agent, which in turn has sub-contracted part of its remit (accounts, calculation of net asset values, establishment of financial reports and summaries for the CSSF, processing of subscriptions, redemptions and conversions of units, holding and upkeep of the register of registered units of the Fund), for which it nevertheless retains responsibility to the European Fund Administration ("EFA") Société Anonyme, 2, rue d'Alsace, L1017 LUXEMBOURG.

The commission rate for the Central Administration Agent is included in the sub-fund descriptions.

The Management Company may entrust, under its own responsibility, its supervision and, at its own expense, the management of the assets of one of more sub-funds of the Fund to one or more Managers.

The name and a description of the Managers and their remuneration are set out in the descriptions of the sub-funds. The remuneration of the Managers may include a performance fee, the applicability and rate of which are shown in the respective sub-fund description.

The Management Company is entitled to charge a management commission payable at the end of each quarter at an annual rate not exceeding 3% of the total net assets of the sub-funds during the quarter concerned.

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The Management Company may, under its responsibility and supervision, entrust the distribution of units in one or more sub-funds of the Fund to one or more duly authorised agents.

### **3. CUSTODIAN BANK**

BANQUE DE LUXEMBOURG, a public limited company governed by Luxembourg law with its registered office at 14, boulevard Royal, L-2449 Luxembourg, has been established in Luxembourg since 1920.

The Bank fulfils the customary obligations and tasks in terms of deposits of cash, transferable securities and other assets as well as those provided for by the Law of 20 December 2002 on Undertakings for Collective Investment. With the Management Company's agreement the Custodian Bank may, subject to its own responsibility, assign the task of holding the transferable securities to specialist centres or to other banks or financial institutions.

The Custodian Bank was appointed by the Management Company under the terms of the Management Regulations and by a contract signed on 7 February 2008.

### **4. ELIGIBLE INVESTMENTS**

1. The investments of the Fund are composed entirely of:
  - a. transferable securities and money-market instruments listed or traded on a regulated market;
  - b. transferable securities and money-market instruments traded on another regulated market of a European Union Member State, and which operates regularly and is recognised and open to the public;
  - c. transferable securities and money market instruments that are admitted to official listing on a stock exchange of a non-European Union Member State or traded on another market of a non-European Union Member State that is regulated, operates regularly and is recognised and open to the public, provided that provision has been made in the Management Regulations for the choice of stock exchange or market. According to the Management Regulations, investments can be made on any stock exchange or regulated market which operates regularly, is recognised and open to the public and is based in Europe, Africa, the Americas, Asia or Oceania;
  - d. newly issued transferable securities and money-market instruments, provided that:
    - the issue conditions include a commitment to apply for admission to an official listing on a stock exchange or another regulated market which operates regularly and is recognised and open to the public;
    - such admission is obtained no later than one year after the issue;
  - e. units of UCITS approved in accordance with Directive 85/611/EEC ("UCITS") and/or of other Undertakings for Collective Investment ("UCI") within the meaning of Article 1(2), first and second indents of Directive 85/611/EEC, situated in a European Union Member State, the United States of America, Guernsey or Jersey ("other UCI"), provided that:
    - such other UCI are authorised in accordance with legislation stipulating that such undertakings are subject to supervision which the Commission de Surveillance du Secteur Financier ("CSSF") considers to be equivalent to that stipulated by Community legislation, and that cooperation between the authorities is adequately guaranteed;
    - the level of protection guaranteed to holders of units in such other UCI is equivalent to that stipulated for holders of units in a UCITS and, in particular, that the rules relating to the division of assets, borrowings, loans and the short selling of transferable securities and money-market instruments are equivalent to the requirements of Directive 85/611/EEC;
    - the business of such other UCI is reported in half-yearly and annual reports enabling an assessment to be made of assets and liabilities, profits and transactions in the reporting period;
    - no more than 10% of the assets of the UCITS or other UCI whose acquisition is considered may, according to their deeds of incorporation, be invested in aggregate in units of other UCITS or other UCI;

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- f. deposits held at a credit institution which are redeemable on demand or which may be withdrawn and have a maturity which is less than or equal to twelve months, on condition that the credit institution has its registered offices in a European Union Member State or, if the registered office is located in a third country, is subject to prudential rules which are regarded by the CSSF as being equivalent to those laid down by Community legislation;
  - g. derivative financial instruments, including equivalent 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 financial instruments ("OTC derivative instruments"), on condition that:
    - the underlying assets consist of instruments covered by this sub-section 1, financial indices, interest rates, exchange or currency rates, in which the Fund may make investments in accordance with its investment objectives, as stated in this prospectus;
    - the counterparties to OTC derivative transactions are establishments which are subject to prudential supervision and which belong to the categories authorised by the CSSF. The counterparties to the financial instruments must all have a P1 rating or its equivalent granted by a well-known rating agency such as Standard & Poor's in the case of commitments of up to twelve months and A- or A3 beyond this. These requirements are not applicable to the Fund's Custodian Bank.
    - the OTC derivative transactions are subject to a reliable and verifiable valuation, based upon a daily rate and may, at the wish of the Management Company, be sold, liquidated or closed by means of a symmetrical transaction at any time and at their true value;
  - h. money-market instruments other than those traded on a regulated market, on condition that the issuer 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 authority, the central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a federal state, by one of the members forming part of the federation or by a public international body of which one or more Member States are members; or
    - issued by a company whose shares are traded on the regulated markets referred to in a), b) or c) above, or issued or guaranteed by an establishment that is subject to prudential supervision in accordance with the criteria defined by Community law, or by an establishment which is subject to and which complies with prudential rules considered by the CSSF as being at least as stringent as those laid down by Community legislation, or
    - issued by other bodies belonging to categories approved by the CSSF, on condition that investments in such instruments are subject to rules for the protection of investors which are equivalent to those referred to in the first, second or third indents above and on condition that the issuer is a company whose capital and reserves amount to a minimum of ten million euros (EUR 10,000,000) and which submits and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, or a body which, as part of a group of companies that includes one or more listed companies, is dedicated to financing the group or a body that is dedicated to financing securitisation vehicles benefiting from a banking liquidity line.
2. However, the Management Company:
- a. may invest up to 10% of the Fund's assets in transferable securities and money market instruments other than those referred to in part 1 of this section;
  - b. may acquire movable and immovable property which is essential for the direct pursuit of its business.
  - c. may not acquire precious metals or certificates representing them for the Fund.
3. Depending on market conditions and/or the prospects offered by the markets, the sub-fund may exceptionally and temporarily hold liquidities up to 100% of its net assets. With a view to investing its liquidities, the sub-fund may invest in:
- cash deposits,
  - money market instruments and/or
  - UCITS and other UCI invested in cash deposits and/or money market instruments.

## 5. INVESTMENT RESTRICTIONS

The following criteria and restrictions must be observed by each of the sub-funds of the Fund, with the exception of point 5, which applies to the sub-funds as a whole.

### Restrictions relating to transferable securities and money-market instruments

1. a. The Fund may not invest more than 10% of its assets in transferable securities and money market instruments issued by the same body. The Fund may not invest more than 20% of its assets in deposits placed with the same body. The counterparty risk of the Fund in a transaction involving OTC transactions on derivative instruments may not exceed 10% of its assets in the event that the counterparty is one of the credit institutions referred to in section 4, point 1.f), or 5% of its assets in the other cases.
  - b. The total value of the transferable securities and the money market instruments held by the Fund in each issuer in which it invests more than 5% of its assets may not exceed 40% of the value of its assets. This limit does not apply to deposits with financial institutions which are subject to prudential supervision and to OTC transactions on derivative instruments with these institutions.
  - c. Notwithstanding the individual limits set down in 1.a., the Fund may not combine:
    - investments in transferable securities or money-market instruments issued by a single body,
    - deposits made with a single body, and/or
    - exposure arising from OTC derivative transactions undertaken with a single body,which amount to more than 20% of its net assets.
  - d. The limit stipulated in point 1.a., first sentence, is raised to a maximum of 35% if the transferable securities or money-market instruments are issued or guaranteed by a Member State of the European Union, its local authorities, a non-Member State or public international bodies of which one or more Member States are members.
  - e. The limit stipulated in point 1.a., first sentence, is raised to a maximum of 25% in the case of certain bonds when they are issued by a credit institution which has its registered office in a European Union Member State and which is subject by law to special public supervision designed to protect bond-holders. In particular, sums derived from the issue of such bonds must be invested in accordance with the law in assets which, during the entire period of validity of the bonds, are capable of covering claims arising out of the bonds and which, in the event of the bankruptcy of the issuer, would be used by priority to reimburse the principal and pay the interest accrued.

Where a Fund invests more than 5% of its assets in the bonds referred to in the first subparagraph and issued by a single issuer, the total value of these investments may not exceed 80% of the value of the assets of the Fund.
  - f. The transferable securities and money market instruments referred to in 1.d and 1.e. shall not be taken into account for the purpose of applying the limit of 40% referred to in 1.b. The limits provided for in 1.a., 1.b., 1.c., 1.d. and 1.e. may not be combined, and thus investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments made with this body carried out in accordance with 1.a., 1.b., 1.c., 1.d. and 1.e. shall under no circumstances exceed in total 35% of the assets of the Fund.

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

The Fund may make cumulative investments in transferable securities and money market instruments within the same group up to a limit of 20% of its assets.
2. a. Without prejudice to the limits laid down in point 5, the limits laid down in point 1 are raised to a maximum of 20% for investments in shares and/or bonds issued by the same body where, according to the articles of association, the aim of the Fund's investment policy is to replicate the composition of a given stock or bond index which is recognised by the CSSF, on the following basis:

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- the composition of the index is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers;
  - it is published in an appropriate manner.
- b. The limit referred to in 2.a. is 35% where this proves to be justified by exceptional market conditions, particularly on regulated markets where certain transferable securities or money-market instruments are broadly dominant. The investment up to this limit is only permitted for a single issuer.
3. **In accordance with the principle of risk spreading, the Fund may invest up to 100% of its net assets in various issues of transferable securities and money market instruments issued or guaranteed by an EU member state, its local or regional authorities, an OECD member state or international public bodies of which one or more European Union member states are members, provided it holds securities belonging to at least six different issues; securities belonging to a single issue may, however, not exceed 30% of the total amount.**

**Restrictions relating to UCITS and other UCI**

4. a. **The Fund may not invest more than 10% of its net assets in UCITS or other UCI units at any time. This restriction is justified by the fact that Callander Managers S.A. would want Callander Fund, a mutual fund, to be an eligible investment for UCITS subject to the provisions of European Directive 85/611/EEC as amended.**
- b. Where a sub-fund of the Fund invests in units of other UCITS and/or other UCIs that are managed, either directly or indirectly, by the same Management Company, by the same Manager or by any other company to which the Management Company is linked within the context of a management consortium, a supervisory consortium or by a direct or indirect holding of more than 10% of the capital or the votes, the said Management Company, the said Manager or other company may not invoice subscription, transfer, redemption or management fees in respect of the investment of the sub-fund of the Fund in units of other UCITS and/or other UCIs.
- c. Where the Fund invests a substantial proportion of its assets in other UCITS and/or other UCIs, the descriptions of the sub-funds concerned and the simplified prospectus set out the maximum level of the management fees which may be charged to the Fund itself and to the other UCITS and/or UCIs in which the Fund intends to invest. The Fund indicates in its annual report the maximum percentage of the management charges borne both at the level of the Fund and at that of the UCITS/UCIs in which the Fund invests.

**Restrictions relating to acquisitions**

5. a. The Fund may not acquire shares carrying voting rights which would enable it to exercise significant influence over the management of an issuer.
- b. The Fund may not acquire more than:
- 10% of the non-voting shares of any single issuer;
  - 10% of the bonds of any single issuer;
  - 25% of the units of any single UCITS and/or other UCI;
  - 10% of money-market instruments issued by a single issuer.
- The limits specified in the second, third and fourth indents do not apply at the time of acquisition if at that time the gross amount of the bonds or of the money market instruments or the net amount of the securities issued cannot be calculated.
- c. Points a) and b) do not apply with regard to:
- transferable securities and money-market instruments issued or guaranteed by a European Union Member State or its local authorities;
  - transferable securities and money-market instruments issued or guaranteed by a non-EU Member State;
  - transferable securities and money-market instruments issued by public international bodies

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- of which one or more EU Member States are members;
- shares held by the Fund in the capital of a company from a non-EU member state that primarily invests its assets in securities of issuers of that State where, under the legislation of that State, such an investment represents the only means for the Fund to invest in securities of issuers from that State. This derogation, however, shall apply only if in its investment policy the company from the non-member State complies with the limits laid down in points 1., 4., 5.a. and 5.b. Where the limits laid down in points 1 and 4 are exceeded, point 6 will apply mutatis mutandis;
- shares held by one or more investment companies in the capital of subsidiary companies carrying on the business of management, advice or marketing of the latter exclusively on their behalf in the country in which the subsidiary is located, with respect to the repurchase of units at the holders' request.

**Derogations**

6. a. The Fund need not necessarily comply with the limits laid down in this section when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets. Whilst observing the principle of risk spreading, a recently authorised Fund may derogate from points 1, 2, 3 and 4 for a period of six months following the date of its authorisation.
- b. If the limits referred to in point 6.a. are exceeded for reasons beyond the control of the Fund or as a result of the exercise of subscription rights, in its selling operations the Fund must give priority to rectifying this situation, taking due account of the interests of its unit-holders.
- c. Insofar as an issuer is a legal body 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 arose on the setting up, operation or liquidation of that sub-fund, each sub-fund must be regarded as a separate issuer for the purposes of applying the rules governing risk-spreading set out in points 1, 2 and 4.

**Restrictions relating to borrowings, loans and short sales**

7. Neither the Management Company nor the Custodian Bank may borrow for the account of the Fund, except in the case of:
  - a. the acquisition of foreign currency by means of a back to back loan;
  - b. loans up to 10% of its net assets, provided the borrowing is on a temporary basis.
8. Notwithstanding the Fund's investment powers as stipulated in section 4, neither the Management Company nor the Custodian Bank may grant credit or act as guarantor on a behalf of third parties. This restriction shall not prevent the Fund from acquiring transferable securities, money market instruments or other financial instruments as referred to in section 4, points 1.e., 1.g. and 1.h., which are not fully paid up.
9. Neither the Management Company nor the Custodian Bank may carry out short sales of transferable securities, money market instruments or other financial instruments as referred to in section 4, points 1.e., 1.g. and 1.h.

**Restrictions relating to derivative techniques and instruments**

10. a. The Fund is authorised to have recourse to techniques and instruments that relate to transferable securities and monetary market instruments, subject to the conditions and within the limits laid down by the CSSF, in so far as these techniques and instruments are used for the purposes of effective management of the portfolio. When such operations concern the use of derivative instruments, these conditions and limits must comply with the provisions of the Law of 20 December 2002 on Undertakings for Collective Investment. These operations must on no account cause the Fund to deviate from its investment objectives.
- b. The Fund shall ensure that its global exposure relating to derivative instruments does not exceed the total net asset value of the Fund's portfolio.

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Risks are calculated taking due account of the current value of the underlying assets, the counterparty risk, foreseeable market development and the time available to liquidate positions.

In the context of its investment policy and within the limits laid down in point 1.f. above, the Fund may invest in financial derivative instruments provided that the exposure of the underlying assets does not exceed the investment limits laid down in point 1. When the Fund invests in derivative financial instruments based on an index, these investments shall not be combined with the limits set down in point 1.

When a transferable security or money-market instrument involves a derivative instrument, the latter must be taken into account when applying the provisions in this point.

**Restrictions relating to securities lending**

11. The Fund may, subject to the terms and limits set out in Circular CSSF 08/356, undertake securities lending operations. Its intervention in such operations is subject in particular to the following rules:

The Fund may lend securities either directly or within the framework of a standardised lending system organised by a recognised securities clearing system or by a financial institution which is subject to prudential supervisory rules regarded by the CSSF as being equivalent to those laid down by the Community legislation and specialised in this type of operation. Within the framework of its lending operations, the Fund must, in principle, receive for the sub-fund concerned a surety whose value is equivalent, for the whole of the duration of the loan, to at least 90% of the overall valuation of the securities lent.

That surety must be given in the form of (i) liquidities, (ii) bonds issued or guaranteed by Member States of the OECD or by their local or regional authorities or by supranational institutions and bodies of a Community, regional or world nature, (iii) shares or units issued by ICUs of the monetary type calculating a net asset value on a daily basis and rated AAA or its equivalent, (iv) shares or units issued by UCITS investing in bonds/shares issued or guaranteed by first-class issuers affording adequate liquidity, (v) shares or units issued by UCITS investing in shares listed or traded on another regulated market or on a stock exchange of a State belonging to the OECD provided that those shares or units are included in a major index, (vi) direct investments in shares and bonds mentioned in points (iv) and (v). The surety must be valued on a daily basis.

The counterparty risk of the Fund or of each sub-fund towards one and the same counterparty may not exceed 10% of its assets where the counterparty is a financial establishment having its registered office in the European Union or, if the registered office of the credit establishment is located in a third State, the counterparty is subject to prudential rules considered by the CSSF to be equivalent to those laid down by the Community legislation, or 5% of its assets in all other cases.

**Restrictions relating to sale with right of repurchase transactions**

12. The Fund may engage in sale with right of repurchase transactions, subject to the limits and conditions set out in Circular CSSF 08/356, which consist in purchases and sales of securities whose clauses reserve for the vendor the right to repurchase the securities sold from the purchaser at a price and at a time agreed between the two parties upon the conclusion of the contract, provided that the counterparties are subject to prudential rules which are regarded by the CSSF as being equivalent to those laid down by the Community legislation.

During the currency of a sales contract with the right of repurchase, the Fund may not sell the securities covered by that contract before the counterparty has not exercised the repurchase of the securities or the time limit for repurchase has not expired, saving where the Fund has other means of cover. The Fund must ensure that repo operations are performed on a scale such that it is at all times able to meet its repurchase obligation in respect of its own units. Upon maturity of a repo agreement where the Fund acts as seller, the Fund must have sufficient cash funds to enable it to fulfil its obligation to redeem securities.

**Restrictions relating to repurchase and reverse repurchase transactions**

13. The Fund may, subject to the limits and conditions set out in Circular CSSF 08/356, engage in repurchase and reverse repurchase transactions, the clauses of which entitle or commit the seller to the repurchase from the buyer of the securities sold at a price and date stipulated between the two parties upon the conclusion of the agreement and provided that

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the counterparties are subject to prudential rules which are regarded by the CSSF as being equivalent to those laid down by the Community legislation.

During the term of a repurchase agreement, the Fund may not sell the securities forming the object of the agreement; the Fund must ensure that it maintains the scale of repurchase transactions at a level such that it is always in a position to redeem its own units. Upon maturity of a repurchase contract, the Fund must have sufficient cash funds to enable it to fulfil its obligation to redeem securities.

**Restrictions relating to "repurchase" or "repo" transactions**

14. The Fund may engage in repurchase or repo transactions whereby one party – the seller – agrees to sell to the other party – the buyer – securities against payment of the purchase price by the buyer to the seller with a firm undertaking on the part of the buyer to sell equivalent securities to the seller on a specified date or upon request in exchange for payment of the purchase price by the seller to the buyer.
- The Fund may act either as buyer or seller in repo transactions.
- The counterparties must be first-class financial institutions which specialise in this type of transaction.
- During the currency of a repo contract, where the Fund is acting as the buyer, it may not sell the securities covered by the contract before either the counterparty has repurchased the securities or the repurchase deadline has expired. The Fund must ensure that repo operations are performed on a scale such that it is at all times able to meet its repurchase obligation in respect of its own units. Upon maturity of a repo agreement where the Fund acts as seller, the Fund must have sufficient cash funds to enable it to fulfil its obligation to redeem securities.

**Restrictions relating to buy/sell transactions**

15. The Fund may engage in buy/sell transactions for which the "seller agrees to sell a bond in cash before subsequently repurchasing it. The selling price of the bond includes the interest accrued on the coupon on the date of sale, while the repurchase price includes this initial amount and the repo interest.
- Buy/sell transactions are subject to the same conditions as those applicable to repo transactions.

## **6. DESCRIPTION OF UNITS**

For each sub-fund, the Management Company may create one or more classes of units whose assets are invested in accordance with the investment policy of the sub-fund and whose characteristics are described in the Fund prospectus.

The Board of Directors of the Management Company may also decide to create, within one and the same sub-fund, different classes of units whose assets are jointly invested in accordance with the investment policy specific to the sub-fund concerned. The unit classes may differ in terms of their cost structure, cover strategy, currency of denomination or other features which are peculiar to them.

Units are issued without par value and are fully paid-up. However, regardless of the sub-fund and class to which they belong, units may be issued:

- either in registered form in the name of the subscriber, evidenced by entry of the subscriber in the register of unit-holders, in which case a certificate of registration may be provided at the express request of the unit-holder
- or in the form of bearer units, paperless or evidenced by physical certificates. Physical certificates representing these units may be made available in the forms and denominations to be determined by the Management Company and detailed in the sale documents relating to these units. The costs relating to the physical delivery of these units to the bearer may be invoiced to the applicant. If an owner of bearer units requests the exchange of his certificates for certificates of different denominations, the costs of such an exchange may be charged to him.

A unit-holder may at any time request that his bearer units be exchanged for registered units and vice versa. In this case the Management Company shall be entitled to charge the resulting costs to the unit-holder.

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Units shall only be issued upon acceptance of the subscription and receipt of the price in accordance with section 7 of the Management Regulations.

Units can be issued in fractions of up to one thousandth of a unit or in whole single units or they can be represented by certificates representing multiple units. Fractions of bearer units cannot be physically delivered and shall be held at the Custodian Bank in a securities account to be opened for this purpose.

## **7. ISSUE OF UNITS**

Within each sub-fund, the Management Company is authorised to issue units at any time without limitation.

Subscriptions received by the Management Company, the Custodian Bank or the Sub-Agent of the Central Administration on a valuation day before the time indicated in the prospectus shall be accepted on the basis of the price on the first valuation day following the day on which the subscription request is received. Subscriptions received on a valuation day after the time indicated in the prospectus shall be accepted on the basis of the net asset value of the next valuation day.

The subscription price corresponds to the net asset value plus any commission not exceeding 4% of the net asset value payable to the placement agent and/or the Management Company. Settlement of the subscription must be effected in the currency of the unit class and is payable not later than five working days after the date on which the applicable net asset value was determined.

Subscriptions can also be made by the contribution of transferable securities and other authorised assets other than in cash, subject to the approval of the Management Company. Such transferable securities and other authorised assets shall comply with the investment policy and investment restrictions as defined for each sub-fund. They shall be valued in accordance with the valuation principles set out in the prospectus. Furthermore, in compliance with the Law of 10 August 1915 concerning commercial companies, the Fund auditor will prepare a report on these contributions. This report will then be deposited with the Luxembourg Commercial and Companies Register. The costs relating to a subscription through a contribution in kind shall be borne by the Subscriber.

As mentioned in the prospectus, the Management Company may make the subscription of units subject to certain conditions and may also define minimum amounts and deadlines by which subscription requests must be submitted. The Management Company is entitled at any time and at its discretion to refuse a subscription request or to temporarily restrict, suspend or halt once and for all the issue of units, if such measure appears essential to protect the interests of all the unit-holders or to protect the Management Company or the sub-fund concerned, in the interest of the investment policy or where the investment objectives of the sub-fund are threatened.

The Custodian Bank shall refund without delay and without interest any payments effected in the context of subscription requests that are not carried into effect.

## **8. REDEMPTION OF UNITS**

Unit-holders are entitled to demand the redemption of their units at any time.

Redemption requests received by the Management Company, the Sub-Agent of the Central Administration or the Custodian Bank on a valuation day before the time indicated in the prospectus shall be accepted on the basis of the price on the first valuation day following the day on which the redemption request is received. Redemption requests received on a valuation day after the time indicated in the prospectus shall be accepted on the basis of the net asset value of the next valuation day.

The redemption price corresponds to the net asset value plus any commission not exceeding 1% of the net asset value payable to the placement agent and/or the Management Company. Settlement of the redemption must be effected in the currency of the unit class and is payable not later than five working days after the date on which the applicable net asset value was determined.

If the total volume of the orders represents more than 10% of the value of the shares in circulation of a sub-fund, the Management Company may postpone settlement of such requests and redeem the units at the pre-determined price after having sold the necessary assets as quickly as possible, taking into account the interests of the units as a whole, and after having obtained the proceeds of such sale. One single price shall be calculated for all subscription or redemption requests presented for the same valuation day. Such requests will take priority over any other requests in terms of processing.

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The Management Company is entitled to proceed unilaterally to the redemption of units of any unit class against payment of the redemption price if such a measure appears essential to protect the interests of all unit-holders or to protect the Management Company or the sub-fund concerned.

## **9. CONVERSION OF UNITS**

Any unit-holder holding units of a particular class within any of the sub-funds may convert the units into units of another class within the same sub-fund. The number of new units to be issued shall be determined by the value of the redeemed units divided by the value of the units in the sub-fund and class in which issue is requested.

Any unit-holder may request that units of one class which he holds in the initial sub-fund be converted into units of the same or another class of a new sub-fund.

Such conversion requests may be subject to a transfer fee not exceeding 1% of the net asset value payable in favour of the placement agent and/or the Management Company.

Unit-holders wishing to transfer from one class of units to another or from one sub-fund to another in respect of all or part of their units may at any time submit a written application specifying the sub-fund and the class of units held and the number of units to be converted, as well as the sub-fund and class of units desired in exchange. Unit-holders must hand over the certificates of the units held immediately.

Where units are converted, fractions of units will in principle be granted.

Conversions received by the Management Company, the Custodian Bank or the Sub-Agent of the Central Administration on a valuation day before the time indicated in the prospectus shall be accepted on the basis of the prices of the class or classes of units of the sub-funds concerned on the first common valuation day following the day on which the conversion request is received. Conversions received on a valuation day after the time indicated in the prospectus shall be accepted on the basis of the net asset values of the class or classes of units of the sub-funds concerned of the next valuation day.

Transfers from one sub-fund to another are no longer possible once calculation of the Net Asset Value of one of the sub-funds concerned has been suspended.

## **10. CALCULATION OF NET ASSET VALUE OF UNITS**

For all sub-funds or unit classes the net asset value of a unit is calculated in the currency chosen by the Management Company by dividing the net assets of the sub-fund by the number of units it has issued.

**1. The assets of the Fund comprise the following elements, after deduction of its liabilities calculated at the valuation date:**

- a. all liquid funds in cash and assets on account, including interest;
- b. all other assets and receivables including the proceeds of sale of transferable securities the amount of which has not yet been received;
- c. all stocks, units, shares, bonds, options or subscription rights and other investments and transferable securities owned by the Fund;
- d. all dividends and distributions in cash or in the form of transferable securities of which the Management Company may reasonably be aware; the Management Company may however make adjustments to take account of fluctuations in the market value of securities resulting from practices such as ex-dividend or ex-rights negotiation;
- e. all interest accrued and not yet due, in so far as this is not included in the principal;
- f. the costs of launching the Fund, if these have not yet been amortised;
- g. other assets of any kind, including costs paid in advance.

**2. The value of these assets is determined as follows:**

- a. Liquid funds in cash and on account, receivables, costs paid in advance, dividends and interest accrued and not yet due are valued at their nominal amount, even if it appears unlikely that all will be paid or accepted. In this event, the valuation is reduced by such amount as the Management Company considers appropriate to arrive at a realistic and up-to-date market value for these assets.
- b. Transferable securities officially listed on a stock exchange or traded on any other regulated market which operates regularly and is recognised and open to the public are valued at their last available

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- price on the valuation day concerned.
- c. Transferable securities which are not officially listed on a stock exchange or traded on any other regulated market or which are listed or traded on several stock exchanges or markets are valued at their probable realisation value determined in good faith and on the basis of a reasonable commercial estimate.
  - d. Money market instruments and fixed-income securities may be valued on the basis of their fiscally amortised price, that is to say, a constant rate of amortisation is applied following the acquisition, so as to reach the redemption price at the maturity date of the security.
  - e. Units of other funds are valued on the basis of the latest published net asset value per unit or the latest estimated net asset value, where the latter is more recent and if the Management Company can be certain that the calculation method used in making this estimate is compatible with the official valuation method.
  - f. Transferable securities which are not officially listed on a stock exchange or traded on any other regulated market or whose listing does not allow determination of a price that is representative of their real value in accordance with paragraphs a) and b) are valued at their probable realisation value determined in good faith and on the basis of a reasonable commercial estimate.
  - g. Securities denominated in currencies other than the Fund's reference currency are valued using the last known exchange rates.

**3. The liabilities of the Fund comprise:**

- a. all borrowings, foreign exchange operations and loans to third parties contracted and due;
- b. all administrative costs accumulated or due, including the remuneration of the Management Company and the Custodian Bank;
- c. all known liabilities, whether or not due, including all contractual obligations that are due and that involve payments in cash or in kind, including dividends declared by the Fund but not yet paid on the valuation day where the valuation day coincides with the date on which the beneficiary is determined;
- d. reasonable provisions for duties and taxes and the reserves determined by the Management Company;
- e. any other liabilities of the Fund, all types being taken together. To calculate the amount of these liabilities, the Management Company may take into account administrative costs and other expenses of a regular or periodic nature, by taking the estimated amount for a full year or any other reference period and determining the amount for the period in question on a pro rata basis.

The net asset value for all the units of a sub-fund is made up of the assets of that sub-fund less its liabilities on the valuation day on which the net asset value is determined.

Upon subscriptions or redemptions of units of a given class within a sub-fund, the net asset cash value of all the units of that class is increased or reduced by the amounts received or paid under these operations.

For each sub-fund, the Management Company determines a total asset value which it divides among the issued units and unit classes according to the following rules:

1. Income resulting from issues of units of a particular sub-fund are entered to the accounts of the Fund in favour of that sub-fund. The assets, liabilities, income and costs relating to that sub-fund are attributed to it.
2. Where an asset arises from another asset, it is entered to the accounts of the Fund in favour of the sub-fund in which it appears. The increase or reduction in the value of an asset determined upon each of these valuations is attributed to the sub-fund to which it belongs.
3. A liability of the Fund relating to the assets of a particular sub-fund or an operation involving it is attributed to that same sub-fund.
4. Any asset or any liability which cannot be attributed to a particular sub-fund is attributed to all the sub-funds in proportion to the number of units which they have issued.
5. The net asset value of a sub-fund in which dividends have just been paid on distribution units is reduced by the amount of the sums paid.

In this context:

1. Each unit of the Fund in the redemption phase is considered as a unit issued and existing on the valuation day on which redemption is planned to take place. From that day to the day of payment, the proceeds of the redemption are regarded as a liability of the Fund.
2. Any unit issued in the Fund following receipt of subscription requests is regarded as being issued at the close of the valuation day on which the issue price is determined. Until its payment, the issue amount is regarded as an amount due to the Fund.

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3. All the investments, liquid balances or other assets of the Fund which are not denominated in the currency of the individual sub-fund are valued after applying the exchange rate in force for the calculation of the net asset value on the valuation day.
4. In so far as possible, purchases and realisations of transferable securities carried out by the Fund are effective on the valuation day.

The net asset value of a sub-fund within which units of different classes have been issued and then put into circulation is shared among all units of each class.

Upon subscriptions or redemptions of units of a given class within a sub-fund, the net asset value for all the units of that class are increased or reduced by the net amounts received or paid under these operations. The net asset value of a unit of a sub-fund and of a specific class is always equal to the product of dividing the net assets of all the units of that class by the number of units issued in that class and currently in circulation.

## **11. FREQUENCY OF CALCULATION OF NET ASSET VALUE**

In each sub-fund, the net asset value of the units including the issue, redemption and conversion price relating thereto shall be determined periodically by the Management Company or by a third party designated by the Management Company, not less than twice per month, at a frequency decided by the Management Company (every such date at the time of calculation of the net asset value of the assets being designated in the Management Regulations as the "valuation day").

If a valuation day falls on a statutory public or bank holiday in Luxembourg, the net asset value of the units shall be determined on the day specified in the sale documents.

## **12. TEMPORARY SUSPENSION OF CALCULATION OF NET ASSET VALUE**

Without prejudice to legal reasons, the Management Company may suspend calculation of the net asset value of units and the issue, redemption and conversion of the units of the Fund, either generally or in relation to one or more sub-funds only, where the following circumstances arise:

- during all or part of any period in which one of the principal stock exchanges or other markets on which a substantial part of the portfolio of one or more sub-funds is listed is closed for a reason other than ordinary holiday periods or during which the respective operations are restricted or suspended;
- when an emergency situation exists, subsequent to which the Fund does not have access to the assets of one or more sub-funds or is unable to value them,
- when the means of communication required to determine the price, the value of the assets or the stock exchange prices for one or more sub-funds, in the conditions defined in the first indent above, are out of service,
- during any period in which the Management Company is unable to repatriate funds for the purpose of making payments in respect of the redemption of units of one or more sub-funds, or during which the transfers of funds involved in the realisation or acquisition of investments or payments due for the redemption of units cannot, in the opinion of the Management Company, be made at normal exchange rates,

The Management Company shall inform unit-holders wishing to subscribe, redeem or convert units of any such suspension of the calculation of the net asset value in respect of the sub-funds concerned. Unit-holders may then cancel their orders. Other unit-holders shall be informed by a press announcement. Such suspension shall have no effect on the calculation of the net asset value or on the issue, redemption or conversion of units of sub-funds that are unaffected.

## **13. CONSOLIDATION CURRENCY, FINANCIAL YEAR AND AUDIT OF FINANCIAL STATEMENTS**

The Fund accounts are kept in euros (EUR), which is the consolidation currency of the Fund.

The financial year of the Fund ends on 31 December each year.

Under the provisions of the Law of 20 December 2002 governing Undertakings for Collective Investment, the annual accounts of the Fund are audited by the Auditor appointed by the Management Company.

## **14. DISTRIBUTION POLICY**

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The Management Company has the power to decide the payment of a cash dividend to the holders of distribution units, subject to the limits authorised under the Law of 20 December 2002. Such a distribution shall not take place where it appears to be contrary to the interests of the unit-holders in view of the market conditions.

In any sub-fund, the Management Company may decide to distribute interim dividends, in accordance with applicable legal requirements.

The Management Company chooses the currency and date of payment of dividends. The exchange rate applied is the rate prevailing on the date of payment. Dividends made available and not claimed within five years of the date of distribution revert to the Fund and cannot be claimed thereafter.

## **15. COSTS**

The Fund bears all its operating costs, in particular:

- the remuneration of the Management Company which shall be specified in the sale documents of the Fund, as well as the remuneration of managers, investment advisers, the Custodian Bank, the Central Administration, agents responsible for the financial service, paying agents, the auditor, legal advisers of the Management Company and other advisers or agents whose services the Management Company sees fit to use;
- brokerage costs;
- costs of compiling, printing and distributing the prospectus, the simplified prospectus and annual and half-yearly reports;
- printing of unit certificates;
- costs and expenses incurred in setting up the Fund;
- the taxes, levies and government duties levied on its activity;
- costs and fees linked to the registration and maintenance of the registration of the Fund with governmental bodies and Luxembourg and foreign securities exchanges;
- costs of publishing the net asset value and the subscription and redemption price;
- costs and expenses of the directors of the Management Company;
- costs relating to the marketing of the units of the Fund.

The assets of a given sub-fund will be liable only for the debts, commitments and liabilities relating to that sub-fund. Any charges not directly attributable to a specific sub-fund will be divided among all the sub-funds pro rata to the net assets of each sub-fund, and will initially be charged against the income of the sub-funds.

If a sub-fund is launched after the date on which the Fund is launched, the costs of establishing the new sub-fund will be charged solely to that sub-fund and may be amortised over a maximum of five years from the date on which that sub-fund is launched.

## **16. DURATION AND LIQUIDATION OF THE FUND AND ITS SUB-FUNDS**

The Fund is established for an indefinite period.

### **LIQUIDATION OF THE FUND**

However, the Management Company, acting by mutual agreement with the Custodian Bank and provided the unit-holders' interests are safeguarded, may decide to dissolve the Fund.

If the share capital of the Fund falls below two thirds of the legal minimum, the Management Company must notify the supervisory authority. The latter may oblige the Management Company to place the Fund in a state of liquidation.

If the share capital of the Fund falls below a quarter of the legal minimum for a period exceeding six months, the Funds shall fall into a state of liquidation.

The event giving rise to the state of liquidation must be published without delay in the Luxembourg Mémorial, Recueil des Sociétés et Associations and in three newspapers with sufficiently large circulation, including at least one Luxembourg newspaper. The issue, redemption and conversion of units shall be stopped from the moment this event occurs.

The Management Company shall liquidate the assets of the Fund in the best interests of the unit-holders and instruct the Custodian Bank to distribute the net proceeds of the liquidation – after deduction of liquidation expenses – to the unit-holders.

Any amounts that are unclaimed by unit-holders upon the closure of the liquidation process shall be deposited at the Caisse de Consignation [Consignment Office] at the Luxembourg State Treasury. Any amounts not claimed within the prescribed period cannot be withdrawn.

### **LIQUIDATION OF A SUB-FUND**

#### Liquidation of a sub-fund

The Management Company may decide to close one or more sub-funds in view of major changes in the political or economic situation that, in the opinion of the Board of Directors, necessitate such a decision, or

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where the net assets of one or more sub-funds fall below a minimum to be determined by the Board of Directors of the Management Company.

Pending the implementation of the decision to liquidate, the Management Company may continue to redeem units of the sub-fund which it has been decided to liquidate. The set-up costs incurred must be written off in full as soon as the decision to liquidate the sub-fund has been taken.

Any amounts that are unclaimed by the unit-holders or their beneficiaries upon the closure of the liquidation of the sub-fund(s) shall be held at the Custodian Bank for a period of no longer than nine months as from the liquidation date. After this time limit has elapsed the assets will be held at the Caisse de Consignation at the Luxembourg State Treasury.

Liquidation by contribution to another sub-fund of the Fund or to another UCI under Luxembourg law

If, in the opinion of the Management Company, major changes in the political or economic situation necessitate such a decision, the Management Company may also decide to close one or more sub-funds through contribution to one or more other sub-funds of the Fund or to one or more other sub-funds of another UCI under Luxembourg law.

For a period of at least one month from the date of publication of the decision to transfer assets, unit-holders of the sub-fund or sub-funds in question may apply to have their units redeemed free of charge. Upon the expiry of that period, the decision is binding on all unit-holders who have not made use of this option.

The decisions of the Board of Directors of the Management Company relating to a pure and simple liquidation or a liquidation by contribution shall be published in the Mémorial, in a Luxembourg newspaper and in one or more newspapers distributed in the countries in which the units of the Fund are offered for subscription.

## **17. CHANGES TO THE MANAGEMENT REGULATIONS**

The Management Company, acting by mutual agreement with the Custodian Bank and in accordance with Luxembourg law, may make such changes to the Management Regulations as it sees fit in the interests of unit-holders.

The registration of any amendment shall be published in the Mémorial, Recueil des Sociétés et Associations du Luxembourg and comes into force upon being signed.

## **18. INFORMATION FOR UNIT-HOLDERS**

The net asset value and the issue, redemption and conversion prices of the units in each class are available every working day in Luxembourg from the registered office of the Management Company.

The Fund publishes an annual report audited by the Auditor as at 31 December each year as well as an unaudited half-yearly report at the end of each half year, as at 30 June. These reports must be published within four months of the end of the period in the case of the annual report and within two months in the case of the half-yearly report.

The financial reports of the Fund, the Management Regulations, the prospectus and the simplified prospectus are available free of charge from the registered office of the Management Company.

The articles of association of the Management Company, the contract between the Custodian Bank and the Management Company and, where applicable, the contracts between the Investment Advisers or Managers and the Management Company may be consulted at the registered office of the Management Company.

Other notices to unit-holders are published in a Luxembourg newspaper and in one or more newspapers distributed in countries where units of the Fund are offered for subscription.

## **19. APPLICABLE LAW AND JURISDICTION**

These Management Regulations are subject to and interpreted in accordance with Luxembourg law.

Any dispute between unit-holders and the Management Company relating to the Management Regulations shall be settled through arbitration.

This shall be entrusted to a single arbitrator where the parties agree on his appointment. If the parties cannot agree on the appointment of a single arbitrator, a board of three arbitrators shall be constituted. Two of them are appointed by each of the parties and the third is appointed by the first two.

If one of the parties has not appointed its arbitrator within three months of being asked to do so by the instigating party or if the two arbitrators cannot agree on the choice of the third within fifteen days of their appointment, the appointment shall be made by the President of the Tribunal d'Arrondissement (District Court) of Luxembourg deliberating in interim proceedings at the request of the instigating party.

The arbitrators decide where the arbitration is to take place. They deliberate in accordance with Luxembourg law. Their verdict is unappealable.

## **20. ENTRY INTO FORCE**

The Management Regulations were published for the first time on 18 November 1988.

Notice of the deposit of the amended Management Regulations shall be published in the Mémorial, Recueil des Sociétés et Associations and take effect upon being signed, i.e. on 11 October 2010.

The French version of the Management Regulations takes precedence.