SAFE ACTIVE INCOME

This specific section describes the particularity of the Sub-Fund SAFE ACTIVE INCOME and is part of the general part of the Prospectus. Therefore, all information given herein should be considered in connection with this general part of the Prospectus.

Profile of the typical investors

The Sub-Fund has been designed for investors who are seeking income from a global and well diversified fixed income universe and who are comfortable with a certain amount of volatility.

Due to the specific nature of the fixed income market in term of rating, duration, capital structure and currency risk, the Sub-Fund is suitable for investor who can afford to set aside the capital for at least a 5 years' investment horizon.

Risk Management of the Sub-Fund

In accordance with the 2010 Law and the applicable regulations, in particular the CSSF Circular 11/512, the Sub-Fund uses a risk-management process which enables it to assess the exposure of the Sub-Fund to market, liquidity and counterparty risks and to all other risks, including operational risks, which are material for the Sub-Fund.

As part of the risk management process, the Sub-Fund uses the commitment approach to monitor and measure the global risk exposure. This approach measures the global exposure related to positions on financial derivative instruments ("FDIs") which may not exceed the total Net Asset Value of the portfolio of the Sub-Fund.

Risk profile of the Sub-Fund

The Sub-Fund is subject to investment risks and other associated risks from the techniques and securities it uses to seek to achieve its objective.

Investors are advised to refer to Chapter 14 and 15 of the Prospectus for further details in this connection.

Investment Policy and Objective

Using a dynamic asset allocation strategy among multiple fixed income sectors, the Sub-Fund seeks high current income and capital appreciation as a secondary objective. The Sub-Fund can use several hedging tools to reduce the volatility.

In order to achieve the investment objective, the Sub-Fund will invest mainly in bonds and Money Market Instrument (e.g. senior and junior bonds, subordinated and convertible bonds, alternative Tier 1, cum warrant bonds, etc...) of any type of corporate and government issuers world-wide located and in other similar debt securities, including treasury bills and treasury bonds.

The Sub-Fund may invest:

- up to 20% of its net assets in convertible bonds;
- up to 20% of its net assets in contingent convertible bonds;
- up to 10% of its net assets in debt securities issued by rated issuers with Standard & Poor's rating, or equivalent rating agency, of CCC or less (including distressed securities) at the time of investment; for the sake of clarity, investments in defaulted securities are not envisaged nor allowed; and
- up to 20% of its net assets in Unrated Securities with an equivalent Standard & Poor's credit rating of B- or higher as determined by the internal rating procedure of the Management Company.

The expected average rating of the bonds targeted by the Sub-Fund is BBB, with the possibility to use a higher or lower rating according to the market conditions and in the best interest of the Shareholders.

In general terms, the Investment Manager shall not seek to invest directly into equity securities. However, by way of exception and with reference to subordinated bonds and convertible bonds, such debt instruments may be converted into equity securities under some conditions (e.g. will of supervisory authority and/or the reduction of credit rating of the issue/s). In such a case, the Sub-Fund may remain invested in such equity instruments up to 10% of its net assets upon the decision of the Investment Manager.

Using macro-economic analysis, the Sub-Fund will switch from High Yields to investment grade or sovereign bonds or bonds issued by sovereign national agencies, to adapt the risk profile to the current economic phase. So, for the avoidance of doubt, the Sub-Fund can have an exposure up to 100% in High Yield or investment grade securities.

Investments will be diversified both geographically and in terms of economic sector, and they may be done in global as well as local currency, including emerging markets.

The investments in structured financial products embedding derivatives and without embedding derivatives will always be compliant with Article 41 of the 2010 Law and Article 8 of the Grand Ducal Regulation of 8 February 2008.

In accordance with the provisions of item VI. a) in the chapter 19 or the Prospectus, the Sub-Fund shall not invest more than 10% of its net assets in other UCITS and/or UCIs.

The Sub-Fund will not invest more than 20% of its Net Asset Value in cash and deposits for ancillary liquidity purposes in normal market conditions. Under exceptional market conditions and on a temporary basis, this limit may be increased up to 100% of the Net Asset Value.

The Sub-Fund may also enter into derivative contracts both for hedging purposes (typically forward agreements to hedge currency risks) as well as for investment purposes.

The derivatives used will include but will not be limited to:
- forwards;
- futures;
- plain-vanilla options;
- listed options on high yields ETFs;
- credit default swap ("CDS").

The Sub-Fund may invest in CDS on single name, basket of names and credit indices (such as the ITRAXX and CDX indices) composed in compliance with Art 44 of the 2010 law.

Taxonomy Regulation

The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

SFTR regulations applicable to this Sub-Fund

As of the date of this Prospectus, the Sub-Fund does not engage in securities lending, nor enter into repurchase agreements, reverse repurchase agreements and total return swaps, nor in the other transactions covered by SFTR.

Asset Management

The Management Company has delegated the portfolio management of the Sub-Fund to the Investment Manager.

Distribution

The Management Company will act as principal placement and distribution agent of the Sub-Fund and will enter into sub-distribution and private placement agreements with authorized financial professionals acting in line with Luxembourg and local distribution and private placement rules.

General Information

- Reference currency: EUR. This is the currency in which the Net Asset Value of the respective Sub-Fund is calculated and not the currency of the investments of the Sub-Fund concerned. Investments are made in those currencies which best benefit the performance of the Sub-Fund.¨

- Dividend Policy: The Sub-Fund may pursue an accumulation or distribution policy depending on the share class.

- NAV Valuation Day is daily, every bank business day in Luxembourg.

- NAV Calculation Day: The NAV is calculated on the Luxembourg business day after the NAV Valuation Day.

- Shares will be issued as registered shares.

- Types of Shares issued:

Class I: The Class I is expressed in EUR.
The Class I is an accumulating Share for Institutional Investors.

Class IS: The Class IS is expressed in EUR.
The Class IS is an accumulating Share for Institutional Investors.

Class I USD Hedged:
The Class I USD Hedged is expressed in USD hedged against the EUR.
The Class I USD Hedged is an accumulating Share for Institutional Investors.

Class I CHF Hedged:
The Class I CHF Hedged is expressed in CHF hedged against the EUR.
The Class I CHF is an accumulating Share for Institutional Investors.

Class R: The Class R is expressed in EUR.
The Class R is an accumulating Share for retail investors.

Class RD: The Class RD is expressed in EUR.
The Class RD is a distributing Share for retail investors.

It is anticipated that Class RD Shares will distribute dividends at least annually. The annual dividend is however at the Board's discretion and may include a partial return of the invested capital.

Class R USD Hedged:
The Class R USD Hedged is expressed in USD hedged against the EUR.
The Class R USD is an accumulating Share for retail investors.

Class R CHF Hedged:
The Class R CHF Hedged is expressed in CHF hedged against the EUR.
The Class R CHF is an accumulating Share for retail investors.

Class Q: The Class Q is expressed in EUR.
The Class Q is an accumulating Share for all types of investors.

The Class Q is listed and negotiated on ATFund Market which was launched on 1 October 2018 and is dedicated to open-end UCITS funds, which differ from ETFs.
This listed share class can only be invested via intermediaries through the ATFund Market of the Italian Stock Exchange.

As such the listed share class is accessible to all intermediaries that adhere both directly and indirectly to ATFund.

This includes a wide range of institutional and retail investors, who can buy or sell funds daily at a price equal to the NAV of the trading day, which are then calculated and disclosed the following day.

Banca Finnat, which registered office is at Palazzo Altieri - Piazza del Gesù, 49,00186 Roma Italia, will be the Appointed Intermediary supporting liquidity, while settlement will take place through Monte Titoli at T+3, according to the single instrument's settlement calendar.

The Class Q will not issue fractional Shares.

- Investment Management fee: The Investment Manager is entitled to the following investment management fee:
  - Class I: Max 1.0% p.a.
  - Class IS: Max 0.6% p.a.
  - Class I USD Hedged: Max 1.0% p.a.
  - Class I CHF Hedged: Max 1.0% p.a.
  - Class R: Max 1.5% p.a.
  - Class RD: Max 1.5% p.a.
  - Class R USD Hedged: Max 1.5% p.a.
  - Class R CHF Hedged: Max 1.5% p.a.
  - Class Q: Max 1.5% p.a.

- In addition, the Investment Manager will be entitled to a performance fee (the "Performance Fee") calculated and accrued on each Valuation Date and paid on an annual basis, provided that the Net Asset Value per Share before payment of the Performance Fee is higher than the last NAV per Share on which a performance fee has been paid ("High Water Mark").

  The Performance Fee will be, for classes I, IS, I USD, I CHF, equal to 10%, and for classes R, RD, R USD, R CHF and Q, equal to 15% of the difference between the Net Asset Value per Share before Performance Fee payment and the High Water Mark multiplied by the number of Shares outstanding on each Valuation Day.

  For distributing Shares, the High Water Mark will be decreased by the dividends paid to the Shareholders.

  The first High Water Mark is the first Net Asset Value per Share calculated immediately after the close of the initial subscription period.

  The Performance Fee is calculated on the basis of the NAV after deduction of all expenses, liabilities, and Investment Management fee (but not performance fee) and is adjusted to take into account the subscriptions and the redemptions.

  The High Water Mark is the higher of (i) the initial subscription price and (ii) the last Net Asset Value per Share as of which a performance fee was paid.

  In case of subscription, the Performance Fee calculation is adjusted to avoid that this subscription impacts the amount of Performance Fee accruals. To perform this adjustment, the performance of the NAV per share against the High Water Mark until the subscription date is not taken into account in the performance fee calculation. This adjustment amount is equal to the product of the number of subscribed shares by the positive difference between the subscription price and the High Water Mark at the date of the subscription. This cumulated adjustment amount is used in the Performance Fee calculation until the end of the relevant period and is adjusted in case of subsequent redemptions during the period.

If a redemption occurs on a date other than that on which a Performance Fee is paid while an accrual has been made for Performance Fees, the Performance Fees for which an accrual has been made and which are attributable to the Shares redeemed (crystallization) will be paid at the end of the period even if the accrual for Performance Fees is no longer made at that date.

Examples:

	NAV per share before Perf Fee	HWM per share	NAV per share performance	Perf Fee	NAV per share after Perf Fee
Year 1:	112.00	100.00	12.00%	1.20	110.80
Year 2:	120.00	110.80	8.30%	0.92	119.08
Year 3:	114.00	119.08	-4.27%	0.00	114.00
Year 4:	117.00	119.08	-1.75%	0.00	117.00
Year 5:	125.00	119.08	4.97%	0.59	124.41

With a performance fee rate equal to 10%.

Year 1:
The NAV per share (112) is superior to the first HWM at launch (100).
The NAV per share performance (12%) is positive and generates a performance fee equal to 1.20.
The HWM is set to 110.80.

Year 2:
The NAV per share (120) is superior to the new HWM (110.80).
The NAV per share performance (8.3%) is positive and generates a performance fee equal to 0.92.
The HWM is set to 119.08.

Year 3:
The NAV per share (114) is inferior to the new HWM (119.08).
No performance fee is accrued.
The HWM remains unchanged.

Year 4:
The NAV per share (117) has increased but is still inferior to the HWM (119.08).
No performance fee is accrued.
The HWM remains unchanged.

Year 5:
The NAV per share (125) is superior to the HWM (119.08).
The NAV per share performance (4.97%) is positive and generates a performance fee equal to 0.59.
The HWM is set to 124.41.
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Benchmark information

The Sub-Fund is actively managed. The Sub-Fund is not managed by reference to a benchmark and does not use a benchmark for performance comparison purposes. The Investment Manager is taking investment decisions without reference to a benchmark. The Investment Manager is not in any way constrained by a benchmark in its portfolio construction.

Subscriptions

- Subscription fee: a maximum of 3.00% of the NAV can be charged as subscription fee to the benefit of the Investment Manager or financial intermediaries acting in connection with the placing of the Fund's shares.

- Shares of the Sub-Fund may be subscribed on each Valuation Day at the then prevailing net asset value (the "Subscription Day").

- The minimum initial subscription amount and minimum holding amount is the following:

- Class I:	MIN 25'000 EUR
- Class IS:	MIN 10'000'000 EUR
- Class I USD Hedged:	MIN 25'000 USD
- Class I CHF Hedged:	MIN 25'000 CHF
- Class R:	MIN 1'000 EUR
- Class RD:	MIN 1'000 EUR
- Class R USD Hedged:	MIN 1'000 USD
- Class R CHF Hedged:	MIN 1'000 CHF
- Class Q:	Initial dealing price

- Subscription forms will have to be received before 15:00 Central European Time ("CET") on a Valuation Day otherwise they shall be taken into consideration on the next Valuation Day.

Redemptions

- Shares of the Sub-Fund may be redeemed on each Valuation Day at the then prevailing Net Asset Value (the "Redemption Day").

- The Sub-Fund may compulsory redeem investor's Shares if it determines that the Shares in the Sub-Fund are held by Prohibited Investors as further detailed under section "Issue and Conversions of Shares – Restriction on the ownership of Shares" of the Prospectus.

- Redemption fee: up to 2% of the NAV can be charged as redemption fee to the benefit of the Investment Manager or financial intermediaries acting in connection with the placing of the Fund's shares.

- Redemption forms will have to be received before 15:00 CET on a Valuation Day otherwise they shall be taken into consideration on the next Valuation Day.

Conversions

- Shareholders of the Sub-Fund may request conversion of their Shares into another Sub-Fund on each Valuation Day. The conversion price per Share will correspond to the applicable Net Asset Value for that Valuation Day.

- Conversion forms will have to be received before 15:00 Central European Time ("CET") on a Valuation Day otherwise they shall be taken into consideration on the next Valuation Day.

- Conversion fee: up to 0.5% of the NAV can be charged as conversion fee to the benefit of the Investment Manager or financial intermediaries acting in connection with the placing of the Fund's shares.

Launch of the Sub-Fund

The Sub-Fund will be launched at a date further determined by the Board of Directors at its discretion.