

# ALGER

## ALGER SICAV

Société d'investissement à capital variable  
Grand Duchy of Luxembourg

### PROSPECTUS

29 January 2016

**VISA 2016/102022-1918-0-PC**

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2016-02-04

Commission de Surveillance du Secteur Financier



## NOTICE

Alger SICAV is a collective investment undertaking under the form of an umbrella fund, organized as a SICAV under the laws of the Grand Duchy of Luxembourg, and qualifies as a UCITS under Part I of the Law of 2010. The Board of Directors may apply for a stock exchange listing of the Shares of the different Sub-Funds. The Fund's Shares are currently listed on the Luxembourg Stock Exchange.

This Prospectus, which should be retained for future reference, contains important information that prospective investors should know before investing. Subscriptions for Shares in the Fund will be accepted on the basis of the current Prospectus, the KIIDs and (if applicable) any addendum, together with the latest available annual report of the Fund containing its audited annual accounts and the latest available semi-annual report of the Fund, if later than such annual report.

Copies of this Prospectus, subsequent prospectuses, KIIDs, semi-annual and annual reports, subscription forms and information regarding purchases or redemptions may be obtained by contacting the Fund at its registered office.

No person has been authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the offering of the Fund's Shares and, if given or made, such information or representations must not be relied upon as having been authorized by the Fund. Neither the delivery of this Prospectus nor the issuance of Shares shall, under any circumstances, create any implication that there has been no change in the affairs of the Fund since the date hereof.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such an offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

The Fund's Shares have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or qualified under any applicable state statutes and may not be offered, sold or transferred in the United States of America, any of its territories or possessions or areas subject to its jurisdiction (the "United States"), or to or for the benefit or account of, directly or indirectly, a U.S. Person, except pursuant to registration or an exemption. The Fund has not been registered under the United States Investment Company Act of 1940, as amended, and investors will not be entitled to the benefits of such registration. The Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

The Board of Directors has established a policy that neither the Fund nor any other person acting on its behalf shall offer or sell any Shares in the United States or to any U.S. Person or to any United States person (as defined below) or to any other person for reoffering or resale, directly or indirectly, in the United States or to any United States person (as defined below). For this purpose, "United States person" includes a national or resident of the United States, a partnership organized or existing in any state, territory or possession of the United States, a corporation organized under the laws of the United States or of any state, territory or possession thereof or areas subject to its jurisdiction, or any estate or trust, other than an estate or trust the income of which arises from sources outside the United States (which is not effectively connected with the conduct of a trade or business within the United States) and is not included in gross income for the purposes of computing United States federal income tax. The attention of U.S. Persons and United States persons (as defined above) is drawn to the section "Restrictions on Ownership of Shares" of this Prospectus and the compulsory redemption powers of the Fund.

Subscriptions for Shares are subject to acceptance by or on behalf of the Fund.

Prospective investors should inform themselves as to the legal requirements of purchasing Shares of the Fund and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

Statements made in this Prospectus are based on the law and practice currently in force in the Grand Duchy of Luxembourg and are subject to changes in such law and practice.

This Prospectus contains forward-looking statements, which provide current expectations or forecasts of future events. Words such as “may”, “expects”, “future” and “intends,” and similar expressions, may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements include statements about the Fund’s plans, objectives, expectations and intentions and other statements that are not historical facts. Forward-looking statements are subject to known and unknown risks and uncertainties and inaccurate assumptions that could cause actual results to differ materially from those expected or implied by the forward-looking statements. Prospective investors should not unduly rely on these forward-looking statements, which apply only as of the date of this Prospectus.

**References in this Prospectus to “USD”, “U.S. Dollars” or “US\$” refer to dollars of the United States.**

**References in this Prospectus to “Euro”, “EUR” or “€” refer to the official currency of the Euro area.**

#### **Anti-Money Laundering and Fight against Financing of Terrorism**

Pursuant to international rules and Luxembourg laws and regulations and circulars of the supervising authority comprising but not limited to the law of 12 November 2004 on the fight against money laundering and financing of terrorism, as amended, obligations have been imposed on all professionals of the financial sector to prevent the use of undertakings for collective investment for money laundering and financing of terrorism purposes. As a result of such provisions, the registrar of a Luxembourg UCI must ascertain the identity of the subscriber unless the subscription order has come through another professional subject to identification requirements equivalent to those imposed by Luxembourg laws and regulations. Accordingly, the Registrar and Transfer Agent may require subscribers to provide acceptable proof of their identity and for subscribers who are corporate or legal entities, an extract from the register of companies or articles of incorporation or other official documentation. In any case, the registrar may require, at any time, additional documentation relating to an application for Shares in the Fund.

Such information shall be collected for compliance reasons only and shall not be disclosed to unauthorized persons.

In case of refusal by an investor to provide the documents required, the application for subscription will not be accepted.

Any information provided to the Fund in this context is collected for anti-money laundering compliance purposes only.

## TABLE OF CONTENTS

	<u>Page</u>
GLOSSARY OF TERMS.....	6
SUMMARY .....	12
INTRODUCTION.....	13
INVESTMENT OBJECTIVES AND POLICIES .....	14
MANAGEMENT AND ADMINISTRATION .....	32
CHARGES AND EXPENSES OF THE FUND.....	36
NET ASSET VALUE.....	38
HOW TO PURCHASE SHARES .....	41
REDEMPTION OF SHARES .....	48
EXCHANGE OF SHARES .....	49
MARKET TIMING.....	50
DIVIDENDS AND DISTRIBUTIONS.....	50
TAX CONSIDERATIONS .....	50
ORGANIZATION OF THE FUND .....	56
DESCRIPTION OF SHARES .....	58
RESTRICTIONS ON OWNERSHIP OF SHARES .....	59
DISTRIBUTION OF SHARES .....	60
SHAREHOLDER REPORTS .....	60
SHAREHOLDERS' RIGHTS.....	60
DATA PROTECTION .....	60
INDEPENDENT AUDITOR.....	61
HISTORICAL PERFORMANCE .....	61
LEGAL ADVISORS .....	61
DOCUMENTS AVAILABLE FOR INSPECTION.....	61
COMPLAINTS.....	62
APPENDIX I.....	63

## **ALGER SICAV**

The address of the registered office of the Fund is 49, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. For the names and principal occupations of the directors of the Fund, see “Management and Administration” below.

### **Management Company:**

La Française AM International, 2, boulevard de la Foire, L-1528 Luxembourg, Grand-Duchy of Luxembourg

### **Portfolio Manager:**

Alger Management, Ltd., 78 Brook Street, London W1K 5EF, United Kingdom

### **Sub-Portfolio Manager:**

Fred Alger Management, Inc., 360 Park Avenue South, New York, NY 10010, USA

### **Administrative Agent:**

State Street Bank Luxembourg S.C.A., 49, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg

### **Custodian:**

State Street Bank Luxembourg S.C.A., 49, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg

### **Domiciliary and Paying Agent:**

State Street Bank Luxembourg S.C.A., 49, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg

### **Registrar and Transfer Agent:**

State Street Bank Luxembourg S.C.A., 49, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg

### **Distributor:**

Alger Management, Ltd., 78 Brook Street, London W1K 5EF, United Kingdom

### **Legal Advisors:**

Dechert (Luxembourg) LLP, 1, Allée Scheffer, B.P. 709, L-2017 Luxembourg, Grand-Duchy of Luxembourg

### **Auditors:**

Deloitte Audit, 560, Rue de Neudorf, L-2220 Luxembourg, Grand-Duchy of Luxembourg

## GLOSSARY OF TERMS

This glossary is intended to help readers who may be unfamiliar with the terms used in this Prospectus. It is not intended to give definitions for legal purposes.

Please also refer to Appendix I containing other specific definitions.

<b>Administration Agreement</b>	The administration agency, domiciliary, corporate and paying agent, registrar and transfer agency, listing agency agreement entered into between the Management Company, the Fund and the Administrative Agent, as may be amended from time to time.
<b>Administration Cooperation Directive</b>	Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
<b>Administrative Agent</b>	State Street Bank Luxembourg S.C.A.
<b>American Depositary Receipts</b>	Receipts typically issued by a United States bank or trust company which evidence ownership of underlying securities issued by a foreign corporation. Generally, American Depositary Receipts in registered form are designed for use in the United States securities markets.
<b>Articles of Incorporation</b>	The articles of incorporation of the Fund, as amended from time to time.
<b>Board of Directors</b>	The board of directors of the Fund.
<b>Business Day</b>	Any day on which banking institutions in Luxembourg and the New York Stock Exchange in the United States are open for business. For the avoidance of doubt (i) banking institutions in Luxembourg are considered to be open for business on half-closed bank business days in Luxembourg and (ii) the New York Stock Exchange is considered to be open for business on days on which the New York Stock Exchange is open for business during any portion of such days.
<b>CESR Guidelines 10/049</b>	CESR's Guidelines of 19 May 2010 on a common definition of European money market funds.
<b>Class(es)</b>	Any class(es) of Shares in any Sub-Fund.
<b>Circular 08/356</b>	CSSF Circular 08/356 on the rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to Transferable Securities and Money Market Instruments.
<b>Circular 14/592</b>	CSSF Circular 14/592 on ESMA guidelines on ETFs and other UCITS issues.

<b>Code</b>	Means the U.S. Internal Revenue Code of 1986, as amended.
<b>CRS</b>	Common Reporting Standard.
<b>CRS Law</b>	The law of 18 December 2015 relating to the CRS, implementing the Administration Cooperation Directive.
<b>CSSF</b>	<i>Commission de Surveillance du Secteur Financier</i> , the Luxembourg supervisory authority of the financial sector.
<b>Custodian</b>	State Street Bank Luxembourg S.C.A.
<b>Custodian Agreement</b>	The custodian agreement entered into between the Fund and the Custodian, as may be amended from time to time.
<b>Directors</b>	The members of the Board of Directors for the time being and any successors to such members as they may be appointed from time to time.
<b>Distributor</b>	Alger Management, Ltd.
<b>Domiciliary Agent</b>	State Street Bank Luxembourg S.C.A.
<b>Eligible Collateral</b>	Collateral consisting of Liquid Assets, Sovereign Bonds, Money Market UCIs, Non-Sophisticated UCITS, First Class Bonds or Main Index Shares and which complies with the requirements of paragraph 43 of the ESMA Guidelines 2012/832.
<b>Eligible Counterparty</b>	A counterparty which is a first class financial institution having its registered office in an EU Member State, in the United States or in a country where it is subject to prudential supervision rules considered by the CSSF equivalent to those prescribed by Community law.
<b>Eligible Market</b>	A stock exchange or Regulated Market in one of the Eligible States.
<b>Eligible State</b>	Any Member State, any member State of the OECD and any other states which the Board of Directors deems appropriate with regard to the investment objective of each Sub-Fund.
<b>EU</b>	The European Union.
<b>EU Savings Directive</b>	Council Directive 2003/48/EC on the taxation of savings income, as amended.

<b>EPMT</b>	Efficient portfolio management techniques.
<b>ESMA</b>	The European Securities and Markets Authority.
<b>ESMA Guidelines 2014/937</b>	ESMA Guidelines and Recommendations 2014/937 dated 1 August 2014 regarding Guidelines on ETFs and other UCITS issues.
<b>Excluded U.S. Taxpayer</b>	Means an “Excluded U.S. Taxpayer” as defined in Appendix I of this Prospectus.
<b>FATCA or Foreign Account Tax Compliance</b>	Means Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, and any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of these Sections of the Code.
<b>FDI</b>	Financial derivative instruments.
<b>Financial Intermediaries</b>	Authorized intermediaries or agents which are appointed by the Distributor or the Management Company to distribute Shares of the Fund.
<b>First Class Bonds</b>	Bonds issued or guaranteed by first class issuers offering an adequate liquidity.
<b>Fund</b>	Alger SICAV, an open-ended investment company organized as a <i>société anonyme</i> under the laws of Luxembourg and which qualifies as a <i>société d’investissement à capital variable</i> .
<b>Fund Management Agreement</b>	The management company services agreement entered into between the Management Company and the Fund, as may be amended from time to time.
<b>Global Depository Receipts</b>	Receipts issued outside the United States typically by non-United States banks and trust companies that evidence ownership of either foreign or domestic securities. Generally, Global Depository Receipts in bearer form are designed for use outside the United States.
<b>Haircut</b>	The haircuts, forming part of the counterparty risk process, applied by the Fund to the Eligible Collateral and depending on issuer, rating, maturity and guarantees to control and manage the Eligible Collateral.
<b>Institutional Investor</b>	An institutional investor within the meaning of articles 174, 175 and 176 of the Law of 2010, as this term may be defined by guidelines or recommendations issued by the CSSF.
<b>ISDA</b>	The International Swaps and Derivatives Association.

<b>KIID</b>	Any key investor information document concerning any Class of any Sub-Fund, as may be amended from time to time.
<b>Law of 1915</b>	The Luxembourg law dated 10 August 1915 on commercial companies, as amended.
<b>Law of 2005</b>	The Luxembourg law of 21 June 2005 implementing the EU Savings Directive in national legislation in Luxembourg, as amended.
<b>Law of 2010</b>	The Luxembourg law dated 17 December 2010 concerning undertakings for collective investment, as may be amended from time to time.
<b>Liquid Assets</b>	Cash, short-term certificates and money market instruments.
<b>Main Index Shares</b>	Shares admitted to or dealt in on a Regulated Market on the condition that these shares are included in a main index.
<b>Management Company</b>	La Française AM International.
<b>Member State</b>	A member state of the European Union.
<b>Mémorial</b>	The <i>Mémorial C, Recueil des Sociétés et Associations</i> .
<b>Money Market UCIs</b>	Shares or units issued by money market UCIs calculating a daily net asset value and being assigned a rating of AAA or its equivalent.
<b>NASDAQ</b>	National Association of Securities Dealers Automated Quotation.
<b>Net Asset Value</b>	The value of the assets less liabilities attributable to the Fund, a Class or a Share, as applicable, calculated in accordance with the provisions of this Prospectus.
<b>Net Asset Value per Class</b>	The value of total net assets allocated to a Class.
<b>Net Asset Value per Share</b>	The net asset value per Class for a Sub-Fund divided by its Shares outstanding.
<b>Non-Sophisticated UCITS</b>	Shares or units issued by UCITS investing mainly in First Class Bonds and / or Main Index Shares.
<b>NYSE</b>	New York Stock Exchange.

<b>OECD</b>	Organization for Economic Cooperation and Development.
<b>OTC</b>	Over-the-counter.
<b>OTC Derivatives</b>	FDIs dealt in over-the-counter.
<b>Passive U.S. Controlled Foreign Entity</b>	Means a “Passive U.S. Controlled Foreign Entity” as defined in Appendix I of this Prospectus.
<b>Paying Agent</b>	State Street Bank Luxembourg S.C.A.
<b>Portfolio Management Agreement</b>	The portfolio management agreement entered into between the Fund, the Management Company and the Portfolio Manager, as may be amended from time to time.
<b>Portfolio Manager</b>	Alger Management, Ltd.
<b>Prospectus</b>	This prospectus of the Fund which may be amended from time to time.
<b>Registrar and Transfer Agent</b>	State Street Bank Luxembourg S.C.A.
<b>Regulated Market</b>	<p>A regulated market within the meaning of article 4, item 1.14 of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments;</p> <ul style="list-style-type: none"> <li>- a market in a Member State which is regulated, operates regularly and is recognized and open to the public;</li> <li>- a stock exchange or market in a non-Member State which is regulated, operates regularly and is recognized and open to the public.</li> </ul>
<b>Share</b>	Any share issued by the Fund of any Class and any Sub-Fund.
<b>SICAV</b>	<i>Société d'Investissement à Capital Variable</i> , i.e. an investment company with variable capital.
<b>Sovereign Bonds</b>	Bonds issued or guaranteed by an OECD member State or by their local public authorities or by supranational institutions and undertakings with EU, regional or world-wide scope.
<b>Sub-Fund</b>	A separate sub-fund established and maintained in respect of one or more Classes to which the assets and liabilities and income and expenditure attributable or

	allocated to each such Class or Classes will be applied or charged.
<b>Sub-Portfolio Manager</b>	Fred Alger Management, Inc.
<b>TRS</b>	Total return swaps and other FDIs (including OTC Derivatives) with similar characteristics.
<b>UCI</b>	An Undertaking for Collective Investment.
<b>UCITS</b>	An Undertaking for Collective Investment in Transferable Securities authorized pursuant to the UCITS directive.
<b>UCITS Directive</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as may be amended from time to time.
<b>UK</b>	The United Kingdom.
<b>U.S. Person</b>	Means a “U.S. Person” as defined in Appendix I of this Prospectus.
<b>U.S. Reportable Account</b>	Means a Financial Account held by a U.S. Reportable Person.
<b>U.S. Reportable Person</b>	Means (i) a “U.S. Taxpayer” who is not an Excluded U.S. Taxpayer or (ii) a Passive U.S. Controlled Foreign Entity. See Appendix I of this Prospectus for a complete definition of “U.S. Reportable Person”.
<b>U.S. Taxpayer</b>	Means a “U.S. Taxpayer” as defined in Appendix I of this Prospectus.
<b>Valuation Date</b>	The day or time for determination of the Net Asset Value per Share, which is each Business Day.

## SUMMARY

*The following summary information should be read in conjunction with the more detailed information included elsewhere in this Prospectus.*

### **The Fund**

The Fund is a SICAV structured as an umbrella fund organized and domiciled in Luxembourg, and qualifying as a UCITS in Luxembourg.

The Fund offers, within the same investment vehicle, a choice of investments in one or more Sub-Funds, which are distinguished mainly by their specific investment policies and objectives, and, as the case may be, by the currency in which they are denominated or other specific features applicable to each of them.

The Board of Directors may, at any time, decide to create additional Sub-Funds, and in that case, the present Prospectus will be updated accordingly.

At the date of this Prospectus, Shares are offered in the following Sub-Funds:

Alger SICAV - The Alger American Asset Growth Fund: Sub-Fund investing in securities listed or traded on a United States Stock Exchange;

Alger SICAV - Alger Dynamic Opportunities Fund: Sub-Fund investing in equity securities, such as common or preferred stocks, which are listed on U.S. or foreign exchanges or in the over-the-counter market;

Alger SICAV - Alger Emerging Markets Fund: Sub-Fund investing in equity securities, including common stocks, American Depositary Receipts and Global Depositary Receipts, of emerging countries issuers.

Alger SICAV – Alger Small Cap Focus Fund: Sub-Fund investing in equity securities with a relatively small market capitalization.

The Shares of the Sub-Funds may be offered in different Classes as more fully described in “How to Purchase Shares”.

All Sub-Funds and Classes may not be offered by all Financial Intermediaries.

### **Management Company**

The Board of Directors has appointed La Française AM International as the Management Company of the Fund to be responsible on a day-to-day basis, under supervision of the Board of Directors, for providing administration, marketing and investment management services in respect of all Sub-Funds. In respect of all Sub-Funds, the Management Company has delegated its investment management functions to Fred Alger Management, Inc.

The Management Company has delegated the administrative agency functions and the registrar and transfer functions to State Street Bank Luxembourg S.C.A.

### **Portfolio Manager**

Alger Management, Ltd. has been delegated the investment management functions by the Management Company. Alger Management, Ltd. is registered with the Financial Conduct Authority.

### **Sub-Portfolio Manager**

Fred Alger Management, Inc. has been delegated the investment management functions by the Portfolio Manager. Fred Alger Management, Inc. is registered with the Securities and Exchange Commission.

### **Distributor**

Alger Management, Ltd. has been appointed by the Management Company to act as the Fund’s Distributor. The

Distributor or the Management Company may appoint Financial Intermediaries to distribute Shares of the Fund.

### **Net Asset Value per Share**

The Net Asset Value per Share per Class of each Sub-Fund is expressed in the relevant currency, calculated on each Business Day in Luxembourg via any media as the Board of Directors may from time to time determine. The most recent Net Asset Value per Share may also be obtained from the registered office of the Fund in Luxembourg. The prices published are those of the preceding Valuation Date and are published as a matter of record only. They do not constitute an offer to subscribe for or redeem Shares at such prices.

### **The Shares**

The Articles of Incorporation authorize the Board of Directors to issue Shares, at any time, in different Sub-Funds. Proceeds from the issue of Shares within each Sub-Fund may be invested in transferable securities, money market instruments and other eligible assets corresponding to a geographical area, industrial sector, monetary zone or other category and the type of equity, equity-related or transferable debt securities as the Board of Directors may from time to time determine.

The Board of Directors may further decide to issue within each Sub-Fund different Classes, the assets of which may be commonly invested pursuant to the specific investment policy for the particular Sub-Fund concerned, but which may differ, *inter alia*, with respect to their charging structure, dividend policies, hedging policies, investment minima, currency of denomination or other specific features. The Board of Directors may decide if and from what date Shares of any such Classes shall be offered for sale, those Shares to be issued on the terms and conditions as shall be decided by the Board of Directors.

### **Issue of Shares**

Shares of each Class will be issued on each Business Day at an offering price payable in the currency of the relevant Class equal to the Net Asset Value per Share per Class, plus any applicable sales charges of the total amount invested as more fully described in “How to Purchase Shares”. Shares may be purchased through any Financial Intermediary acting with the placement of the Fund’s Shares.

### **Redemptions**

Shareholders may redeem all or any portion of their Shares at the Net Asset Value per Share per Class, less any applicable sales charge, on any Business Day as more fully described in “Redemption of Shares”.

## **INTRODUCTION**

The Fund is a company organized as a “*société anonyme*” qualifying as a “*société d’investissement à capital variable*” under the laws of the Grand Duchy of Luxembourg, which comprises several Sub-Funds. The Fund further qualifies as a UCITS under Part I of the Law of 2010.

If not otherwise specified, every reference in this Prospectus to a “Class” or “Classes” shall include a reference to a “Sub-Fund” or “Sub-Funds”.

The investment activities of the Fund are controlled by its Board of Directors and the Management Company. The Management Company, acting on behalf of the Fund, has selected Alger Management, Ltd. to act as the Fund’s Portfolio Manager. The Portfolio Manager has delegated these functions to the Sub-Portfolio Manager.

The Fund is designed to provide an opportunity for investors outside the United States to take advantage of the professional investment expertise of the Portfolio Manager, the Sub-Portfolio Manager and their affiliates.

The Fund is an “open-ended” investment vehicle which redeems its Shares at the request of its shareholders on a daily basis at a price based on the value of each Sub-Fund’s net assets.

The Fund’s Shares are listed on the Luxembourg Stock Exchange.

## INVESTMENT OBJECTIVES AND POLICIES

### In General

The investment objective of a Sub-Fund is to seek long-term capital appreciation. Income may be a consideration in the selection of each of its investments, but will not be an investment objective of the Sub-Fund. Each Sub-Fund will seek to achieve its objective by investing its assets in a portfolio of transferable securities consisting principally of equity securities, such as common or preferred stocks, that are listed on a stock exchange, as applicable, in the United States, in an emerging country or elsewhere in the world or traded in the over-the-counter markets in the United States or abroad which are regulated, recognized, operating regularly and open to the public. As such, the Sub-Funds will seek to benefit from economic and other developments affecting companies trading in the United States, in emerging countries or elsewhere in the world.

Although the Fund intends to invest primarily in common stocks, each Sub-Fund may, on the advice of the Portfolio Manager, decide from time to time to hold a portion of the Sub-Funds assets in preferred stocks, bonds and other transferable securities and to hold ancillary liquid assets, such as cash and regularly traded money market instruments with a remaining maturity not exceeding twelve months. During temporary defensive periods, a substantial portion of a Sub-Fund's assets may be held in liquid assets and transferable securities other than common stocks. A Sub-Fund may also invest a portion of its assets, within the limits of the investment restrictions and not to exceed 10% of the Sub-Fund's net assets, in equity securities not listed on an exchange.

The Fund invests primarily in equity securities, such as common or preferred stocks, which are listed on U.S. or foreign exchanges or in the over-the-counter markets. Each of these equity investments are primarily in "growth" stocks. The Portfolio Manager believes companies undergoing Positive Dynamic Change offer the best investment opportunities. The Portfolio Manager, believes that issuers of growth stocks tend to fall into one of two categories, *i.e.* Positive Dynamic Change refers to companies realizing (i) High Unit Volume Growth or (ii) companies undergoing Positive Lifecycle Change.

- High Unit Volume Growth companies are traditional growth companies experiencing, for example, significantly growing demand or market dominance.
- Positive Lifecycle Change companies are, for example, companies benefitting from regulatory change, a new product introduction or management change.

For the purpose of the Fund's investment strategies, the issuer of a security is considered to be located in a country if: (i) the company is organized under the laws of, or has a principal office in that country, or (ii) a majority of assets are in, or a majority of its revenue or profits from businesses, investments or sales are from, that country. A Sub-Fund may use additional criteria to determine the location of an issuer.

Portfolio changes will generally be made without regard to the length of time a security has been held.

Each Sub-Fund's investments are subject to normal market risks and to fluctuations in equity markets, and there can be no assurances that each Sub-Fund's stated investment objective will be attained.

Investors should be aware that engaging in international investment transactions may involve various risks, including changes in currency values, possible imposition of legal restrictions and future political and economic developments.

The Board of Directors may decide to use pooling and co-management techniques as provided for by the Articles of Incorporation, by amending the present Prospectus.

**For each Sub-Fund:**

**Alger SICAV - The Alger American Asset Growth Fund**

**Sub-Fund investing in securities listed or traded on a United States stock exchange:**

The Sub-Fund invests primarily in a portfolio of U.S. and foreign equity securities (common stocks, preferred stock and convertible securities).

The Sub-Fund invests at least two thirds of its net assets, not including liquid assets, in equities or equity related securities of companies of any size which demonstrate promising growth potential and whose securities are listed or traded on a U.S. stock exchange. Investing in companies of all capitalizations involves a risk that smaller, newer issuers in which the Sub-Fund invests may have limited product lines or financial resources, or lack of management depth.

It is anticipated that a substantial portion of the Fund's investments will be denominated in U.S. Dollars. Consequently, changes in the exchange rate between an investor's currency of origin and the U.S. Dollar may affect such investor's rate of return on his/her investment in the Sub-Fund. The Sub-Fund does not intend to engage in portfolio strategies to hedge the Sub-Fund's assets against exchange risks although hedging may be done for certain Classes.

The Sub-Fund references as a benchmark the Russell 1000 Growth Index, an index of common stocks designed to track performance of companies with greater than average growth orientation. The Sub-Fund does not exactly replicate the benchmark but tries to exceed its performance.

**Alger SICAV - Alger Dynamic Opportunities Fund**

**Sub-Fund investing in securities listed or traded on United States or foreign stock exchanges or over-the-counter markets:**

The Sub-Fund's investment objective is long-term capital appreciation. It seeks to achieve a positive return with limited volatility and limited correlation to equity and fixed income markets.

The Sub-Fund invests primarily in a portfolio of U.S. and foreign equity securities (common stocks, preferred stock and convertible securities).

In addition to purchasing securities (*i.e.*, taking long positions), the Portfolio Manager will identify securities that it believes will underperform on an absolute or relative basis, constituting short positions on stocks listed on Regulated Markets and on equity indices. Short exposure on stocks is done by FDIs. The Sub-Fund may also hold a large cash position. The Sub-Fund will not, however, follow a market neutral strategy and generally will have a net long position. The Sub-Fund may also seek to manage the volatility of either the portfolio, a particular exposure (*e.g.*, sector or industry) of the portfolio or individual securities through FDIs. The Sub-Fund may invest a portion of its assets in securities issued by small capitalization companies.

It is anticipated that a substantial portion of the Fund's investments will be denominated in U.S. Dollars. Consequently, changes in the exchange rate between an investor's currency of origin and the U.S. Dollar may affect such investor's rate of return on his/her investment in the Sub-Fund. The Sub-Fund does not intend to engage in portfolio strategies to hedge the Sub-Fund's assets against exchange risks

The Sub-Fund makes use of TRS on single stocks. TRS are used in the context of taking long or short exposures on specific equity securities.

Eligible counterparties for TRS shall be Eligible Counterparties specialised in these types of transactions. Relations with such Eligible Counterparties are regulated by ISDA Master Agreements.

A default of an Eligible Counterparty to a TRS may affect investor returns to the extent of the mark-to-market value of outstanding positions and/or Eligible Collateral deposited.

Eligible Counterparties to TRS do not assume any discretion over the composition or management of the Sub-Fund's investment portfolio or of the underlying of the TRS.

The Sub-Fund references as a benchmark the S&P 500 Index. The S&P 500 Index is an unmanaged index generally representative of the U.S. stock market without regard to company size.

### **Alger SICAV - Alger Emerging Markets Fund**

#### **Sub-Fund investing in equity securities of emerging countries issuers:**

Under normal circumstances, the Sub-Fund invests at least two thirds of its net assets in equity securities, including common stocks, American Depositary Receipts and Global Depositary Receipts, of emerging countries issuers.

The Portfolio Manager may consider classifications including those of the World Bank, the International Finance Corporation, or the United Nations (and its agencies) in determining whether a country is an emerging country. Currently, most Central and South American, African, Asian and Eastern European nations are considered emerging countries, among others. An emerging country issuer may also include an exchange traded fund that is principally invested in equity securities of emerging market country issuers.

The Sub-Fund generally invests in at least three emerging countries, and, at times, may invest a substantial portion of its assets in a single emerging country. The Sub-Fund may invest in companies of any market capitalization, from larger, well-established companies to small, emerging growth companies.

The Portfolio Manager seeks investment opportunities in companies with fundamental strengths that indicate the potential for sustainable growth. The Portfolio Manager focuses on individual stock selection, building the Sub-Fund's portfolio from the bottom up through extensive fundamental research. In addition to using fundamental research, the Portfolio Manager employs a "quantitative" investment approach to selecting investments. A quantitative investment approach relies on financial models and computer databases to assist in the stock selection process. Proprietary computer models are capable of rapidly ranking a large universe of eligible investments using an array of traditional factors applied in financial analysis, such as cash flow, earnings growth, and price to earnings ratios, as well as other non-traditional factors.

The Sub-Fund can also invest in derivative instruments. The Sub-Fund currently expects that its primary use of derivatives will involve entering into forward currency contracts to hedge the Sub-Fund's foreign currency exposure when it holds, or proposes to hold, non-U.S. dollar denominated securities.

The Sub-Fund references as a benchmark the MSCI Emerging Markets Index, a free float-adjusted market capitalization index that is designed to measure equity market performance in emerging markets. The Sub-Fund does not exactly replicate the benchmark but tries to exceed its performance. Therefore it can materially deviate from the benchmark by underperforming or outperforming it.

### **Alger SICAV - Alger Small Cap Focus Fund**

#### **Sub-Fund investing in equity securities with a relatively small market capitalization:**

The Sub-Fund seeks long-term capital appreciation by generally investing two thirds of its net assets in equity securities of companies that, at the time of purchase of the securities, have a total market capitalization within the range of companies included in the Russell 2000 Growth Index, as reported by the index as of the most recent quarter-end. This index is designed to track the performance of small capitalization stocks. At June 30, 2015, the market capitalization of the companies in the index ranged from \$113.6 million to \$4.7 billion.

In addition, under normal market conditions, the Sub-Fund invests in technology companies focused in the fields of medicine and information. The Sub-Fund intends to invest a substantial portion of its assets in a small number of issuers, and may concentrate its holdings in fewer business sectors or industries. The Sub-Fund will hold approximately 50 securities. The number of securities held by the Sub-Fund may occasionally exceed this range for a variety of reasons.

Stocks of small capitalization companies may be at greater risk than those of larger, more established companies owing to such factors as inexperienced management and limited financial resources. Full development of these companies takes time and, for this reason, an investment in this Sub-Fund should be considered long term and not as a vehicle for seeking short term profits, nor should an investment in this Sub-Fund be considered a complete investment program. Many small companies' stocks trade less frequently and in smaller volume and may be subject to more abrupt or erratic price movements than stocks of larger companies. The securities of small companies may also be more sensitive to market changes than the securities of large companies.

### **Lending of Portfolio Securities**

Subject to the investment limitations listed below, in order to generate income and to offset expenses, the Fund may lend portfolio securities through a standardized securities lending system organized by Euroclear, Clearstream or other recognized clearing institutions or through first class financial institutions and receive collateral in cash or securities issued or guaranteed by OECD governmental entities provided that such lending is fully and continuously secured by the pledge of cash and/or securities issued or guaranteed by an OECD member state or by local authorities of an OECD member state or by supranational institutions or organizations with EU, regional or world-wide scope, or by a guarantee of a highly rated financial institution and blocked in favor of the Fund until the termination of the lending contract. Such collateral will be maintained at all times in an amount equal to at least 90% of the current market value of the securities loaned.

Lending transactions may not be entered into in respect of more than 50% of the total valuation of the portfolio of each Sub-Fund. Such limitation shall not apply where the Fund has the right at any time to terminate the lending contract and obtain restitution of the securities lent.

Lending transactions may not extend beyond a period of 30 days, except for lending transactions where the securities may be reclaimed at any time by the Fund.

During the term of the loan, the Fund will receive income on the securities loaned. With respect to the lending of portfolio securities, there is a risk of possible loss of rights in the collateral should the borrower fail financially. The Fund will have the right to retain record ownership of securities loaned, to exercise beneficial rights such as voting rights, subscription rights and rights to dividends, interest or other distributions. The Fund may pay fees to persons unaffiliated with the Fund for services in arranging such loans.

The Fund will be able to recall any security lent out or terminate any securities lending agreement which it has entered.

### **Management of Collateral**

When entering into lending transactions, OTC Derivatives, TRS or other EPMT as further described in this Prospectus, the Fund will require the relevant counterparty to provide collateral whose value must at all times be at least equivalent to 90% of the value of the relevant Sub-Fund's assets. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

Collateral received by a Sub-Fund in relation to OTC Derivatives, TRS and EPMT must be Eligible Collateral and normally takes the form of:

- a) Liquid Assets, provided that a letter of credit or a collateral at first-demand given by a first class financial institution not affiliated to the counterparty are considered as equivalent to Liquid Assets;
- b) Sovereign Bonds;
- c) Money Market UCIs;
- d) Non-Sophisticated UCITS;
- e) First Class Bonds; or
- f) Main Index Shares;

The Fund must value on a daily basis the Eligible Collateral received. The Fund will apply haircuts which depend on issuer, rating, maturity and guarantees to control and manage the Eligible Collateral. The Haircut is part of the counterparty risk process. It will take into account the level of risk related to the holding of the underlying asset(s) of the Eligible Collateral by the relevant Sub-Fund. Consequently, the agreement concluded between the Fund and the Eligible Counterparty must include provisions to the effect that the Eligible Counterparty must provide additional Eligible Collateral at very short term in case the value of the Eligible Collateral already granted appears to be insufficient in comparison with the amount to be covered following the application of the Haircut. The Fund will apply the following maximum Haircuts in respect of the value of each of Eligible Collateral received:

- a) of 5% with respect to Liquid Assets, whereas no Haircut will be applied with respect to cash;
- b) of 5% with respect to Sovereign Bonds;
- c) of 10% with respect to Money Market UCIs;
- d) of 10% with respect to Non-Sophisticated UCITS;
- e) of 20% with respect to First Class Bonds;
- f) of 20% with respect to Main Index Shares.

Furthermore, the aforementioned agreement between the Fund and the Eligible Counterparty must, if appropriate, provide for safety margins that take into consideration exchange risks or market risks inherent to the assets accepted as collateral.

The Eligible Collateral given under any form other than cash or shares/units of a UCI/UCITS must be issued by an entity not affiliated to the Eligible Counterparty.

Where there is a title transfer, the Eligible Collateral received should be held by the Custodian. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the Eligible Collateral.

The Fund must make sure that:

- a) it is able to claim its rights on the Eligible Collateral in case of occurrence of an event requiring the execution thereof;
- b) the Eligible Collateral is available at all times, either directly or through the intermediary of a first class financial institution or a wholly-owned subsidiary of this institution; in such a manner that the Fund is able to appropriate or realise the assets given as collateral, without delay, if the counterparty does not comply with its obligation to return the securities;
- c) that its contractual rights relating to the relevant transactions permit, in case of a liquidation, of a reorganisation or in any other situation of equal ranking, to discharge its obligation to return the assets received as a collateral, if and to the extent that the restitution cannot be undertaken on the terms initially agreed; and
- d) during the duration of the agreement the collateral is not sold or given as a security or pledged, except when the Fund has other means of coverage.

### **Reinvestment of cash provided as a collateral**

If the Eligible Collateral is given in the form of cash, such cash collateral should only be:

- a) placed on deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the credit institution has its registered office in a third country, provided that it is subject to prudential rules considered by the competent authorities of the UCITS home Member State as equivalent to those laid down in Community law;
- b) invested in high-quality government bonds;

- c) used for the purpose of reverse repo transactions provided the transactions are with credit institutions subject to prudential supervision and the UCITS is able to recall at any time the full amount of cash on accrued basis;
- d) invested in short-term money market funds as defined in CESR Guidelines 10/049.

Financial assets other than bank deposits and units or shares of UCIs acquired by means of reinvestment of cash received as Eligible Collateral, must be issued by an entity not affiliated to the relevant Eligible Counterparty.

Financial assets other than bank deposits must not be safekept by the Eligible Counterparty, except if they are segregated in an appropriate manner from the latter's own assets. Bank deposits must in principle not be safekept by the Eligible Counterparty, unless they are legally protected from consequences of default of the latter.

Financial assets may not be pledged/given as collateral, except if the Fund has sufficient liquid assets enabling it to return the collateral by cash payment.

Short-term bank deposits, money market instruments and bonds referred to in b) to d) above must be investments eligible for the relevant Sub-Fund in accordance with this Prospectus and applicable laws.

The exposure arising from the reinvestment of collateral received by the Fund must be taken into account for the purpose of the diversification rules applicable to the Fund, as outlined in this Prospectus.

If the short-term bank deposits referred to in b) are likely to expose the Fund to a credit risk vis-à-vis the safekeeper, the Fund must not invest more than 20% of its assets in such deposits made with the same body.

The reinvestment must, in particular if it creates a leverage effect, be taken into account for the calculation of the Fund' global exposure. Any reinvestment of collateral provided in the form of cash in financial assets providing a return in excess of the risk free rate, is subject to this requirement.

Reinvestments must be specifically mentioned with their respective value in an appendix to the financial reports of the Fund.

Reinvestment of cash exposes the Fund to the risks in relation to the instruments described in a) to f) above which do not substantially differ from those risks which the Fund may be exposed when investing into these instruments using directly the funds collected from investors.

### **Sub-Funds' risk and typical investor profiles**

The investments in equity of companies may involve risks (linked to transferable securities and stock markets), such as exchange rates and volatility risks. The Sub-Funds' investments are subject to market fluctuations. No assurance can, therefore, be given that the Sub-Funds' investment objective will be achieved. It cannot be guaranteed either that the value of a Share in the Sub-Fund will not fall below its value at the time of acquisition.

Investing in companies of small and mid-capitalization involves a risk that smaller, newer issuers in which the Sub-Funds invest may have limited product lines or financial resources, or lack of management depth. The Fund's performance will be influenced by political, social and economic factors affecting investments in foreign companies. Special risks associated with investments in foreign companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability and different auditing and legal standards.

The Sub-Funds are suitable for investors who see funds as a convenient way of participating in capital market developments. It is also suitable for more experienced investors wishing to attain defined investment objectives. The investor must have experience with volatile products. The investor must be able to accept significant temporary losses, thus the Sub-Funds are suitable for investors who can afford to set aside the capital for at least five years. It is designed for the investment objective of building up capital.

## **Investment Limitations**

The Board of Directors has adopted the following restrictions relating to the investment of the Fund's assets and its activities. These restrictions and policies may be amended from time to time by the Board of Directors if and as they shall deem it to be in the best interests of the Fund in which case this Prospectus will be updated.

The investment restrictions imposed by Luxembourg law must be complied with by each Sub-Fund. Those restrictions in paragraph 1. (D) below are applicable to the Fund as a whole.

### *1. INVESTMENT IN TRANSFERABLE SECURITIES AND LIQUID FINANCIAL ASSETS*

(A) (1) The Fund will invest in:

- (i) transferable securities and money market instruments admitted to an official listing on a stock exchange in any Eligible State; and/or
- (ii) transferable securities and money market instruments dealt in on another Regulated Market in an Eligible State; and/or
- (iii) recently issued transferable securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for admission to official listing on an Eligible Market and such admission is achieved within one year of the issue; and/or
- (iv) units of UCITS and/or of other UCIs within the meaning of the first and second indent of Article 1(2) of the UCITS Directive whether situated in a Member State or not, provided that:
  - such other UCIs have been authorised under the laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured (which include UCIs that have been authorised under the laws of any member country of the European Union or under the laws of Canada, Hong Kong, Japan, Norway, Switzerland or the United States),
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of the UCITS Directive,
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,
  - no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs; and/or
- (v) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the registered office of the credit institution is situated in a non-Member State, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law; and/or
- (vi) FDIs, including equivalent cash-settled instruments, dealt in on a regulated market referred to in subparagraphs (i) and (ii) above, and/or OTC derivatives, provided that:

- the underlying consists of securities covered by this section 1. (A) (1), financial indices, interest rates, foreign exchange rates or currencies, in which the Sub-Funds may invest according to their investment objective;
- the counterparties to OTC derivative transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;
- the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.

Unless specifically provided otherwise in the investment objective and policies for any specific Sub-Fund, the Fund will invest in FDIs for hedging purposes and for efficient portfolio management purposes, as more fully described in the section "3. Derivatives, Techniques and Other Instruments" below;

and/or

(vii) money market instruments other than those dealt in on a Regulated Market, if the issuer or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

- issued or guaranteed by a central, regional or local authority or by a central bank of an Member State, the European Central Bank, the European Union or the European Investment Bank, a non-EU member state or, in case of a federal state, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or
- issued by an undertaking any securities of which are dealt in on Regulated Markets, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with the criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least ten million Euro (10 000 000 Euro) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(2) In addition, the Fund may invest a maximum of 10% of the Net Asset Value of any Sub-Fund in transferable securities and money market instruments other than those referred to under (1) above.

(3) Each Sub-Fund may invest in one or more other Sub-Funds subject to the conditions laid down in the Law of 2010 and in the Articles of Incorporation.

(B) Each Sub-Fund may hold ancillary liquid assets.

(C) (i) Each Sub-Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same issuing body (and in the case of credit-linked securities both the issuer of the credit-linked securities and the issuer of the underlying securities).

Each Sub-Fund may not invest more than 20% of its net assets in deposits made with the same body. The risk exposure to a counterparty of a Sub-Fund in an OTC derivative transaction may not exceed 10% of its net assets when the counterparty is a credit institution referred to in (1) (A) (v) above or 5% of its net assets in other cases.

(ii) Furthermore, where any Sub-Fund holds investments in transferable securities and money market instruments of any issuing body which individually exceed 5% of the Net Asset Value of such Sub-Fund, the total value of all such investments must not account for more than 40% of the Net Asset Value of such Sub-Fund;

This limitation does not apply to deposits and OTC derivative transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (C) (i), a Sub-Fund may not combine, where this would lead to investing more than 20% of its assets in a single body, any of the following:

- investments in transferable securities or money market instruments issued by that body,
- deposits made with that body, and/or
- exposures arising from OTC derivative transactions undertaken with that body.

(iii) The limit of 10% laid down in paragraph (C)(i) above shall be 35% in respect of transferable securities or money market instruments which are issued or guaranteed by a Member State, its local authorities or by an Eligible State or by public international bodies of which one or more Member States are members.

(iv) The limit of 10% laid down in paragraph (C) (i) above shall be 25% in respect of debt securities which are issued by credit institutions having their registered office in a Member State and which are subject by law to a special public supervision for the purpose of protecting the holders of such debt securities, provided that the amount resulting from the issue of such debt securities are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.

If a Sub-Fund invests more than 5% of its assets in the debt securities referred to in the subparagraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of such Sub-Fund.

(v) The transferable securities and money market instruments referred to in paragraphs (C) (iii) and (C) (iv) are not included in the calculation of the limit of 40% referred to in paragraph

(C) (ii).

The limits set out in paragraphs (C) (i), (C) (ii), (C) (iii) and (C) (iv) above may not be aggregated and, accordingly, the value of investments in transferable securities and money market instruments issued by the same body, in deposits or derivative instruments made with this body, effected in accordance with paragraphs (C) (i), (C) (ii), (C) (iii) and (C) (iv) may not, in any event, exceed a total of 35% of each Sub-Fund's Net Asset Value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with 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 contained in this paragraph (C).

A Sub-Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

(vi) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or debt securities issued by the same body when the aim of a Sub-Fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the CSSF, provided

- 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.

The limit laid down in the subparagraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant provided that investment up to 35% is only permitted for a single issuer.

**(vii) Where any Sub-Fund has invested in accordance with the principle of risk spreading in transferable securities and money market instruments issued or guaranteed by a Member State, by its local authorities or by a State which is an OECD member state, or by public international bodies of which one or more Member States are members, the Fund may invest 100% of the Net Asset Value of any Sub-Fund in such securities and money market instruments provided that such Sub-Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the Net Asset Value of the Sub-Fund.**

Subject to having due regard to the principle of risk spreading, a Sub-Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its authorisation and launch.

- (D)
- (i) The Fund may not normally acquire shares carrying voting rights which would enable the Fund to exercise significant influence over the management of the issuing body.
  - (ii) The Fund may acquire no more than (a) 10% of the non-voting shares of any single issuing body, (b) 10% of the value of debt securities of any single issuing body, and/or (c) 10% of the money market instruments of the same issuing body. However, the limits laid down in (b) and (c) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of securities in issue

cannot be calculated.

The limits set out in paragraph (D)(i) and (ii) above shall not apply to:

- (i) transferable securities and money market instruments issued or guaranteed by an Member State or its local authorities;
  - (ii) transferable securities and money market instruments issued or guaranteed by any other Eligible State;
  - (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members; or
  - (iv) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Sub-Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the Law of 2010.
- (E)
- i) The Fund may acquire units of the UCITS and/or other UCIs referred to in paragraph (A) (1) (iv), provided that no more than 10% of a Sub-Fund's net assets be invested in the units of UCITS or other UCI.
  - ii) The underlying investments held by the UCITS or other UCIs in which the Fund invests do not have to be considered for the purpose of the investment restrictions set forth under 1. (C) above.
  - iii) When the Fund invests in the units of UCITS and/or other UCIs linked to the Fund by common management or control, no subscription or redemption fees may be charged to the Fund on account of its investment in the units of such other UCITS and/or UCIs.

If any Sub-Fund's investments in UCITS and other UCIs constitute a substantial proportion of the Sub-Fund's assets, the total management fee (excluding any performance fee, if any) charged to such Sub-Fund and each of the UCITS or other UCIs concerned shall not exceed 3% of the relevant net assets under management. The Fund will indicate in its annual report the total management fees charged both to the relevant Sub-Fund and to the UCITS and other UCIs in which such Sub-Fund has invested during the relevant period.

- iv) The Fund may acquire no more than 25% of the units of the same UCITS or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units in issue cannot be calculated. In case of a UCITS or other UCI with multiple compartments, this restriction is applicable by reference to all units issued by the UCITS or other UCI concerned, all compartments combined.

## 2. *INVESTMENT IN OTHER ASSETS*

- (A) The Fund will not make investments in precious metals or certificates representing these.
- (B) The Fund may not enter into transactions involving commodities or commodity contracts, except that the Fund may employ techniques and instruments relating to transferable securities within the limits set out in paragraph 3. below.
- (C) The Fund will not purchase or sell real estate or any option, right or interest therein, provided the Fund

may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

- (D) The Fund may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in 1.(A) (1) iv), vi) and vii).
- (E) The Fund may not borrow for the account of any Sub-Fund, other than amounts which do not in aggregate exceed 10% of the Net Asset Value of the Sub-Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.
- (F) The Fund will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Sub-Fund, except as may be necessary in connection with the borrowings mentioned in (E) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the Net Asset Value of each Sub-Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.
- (G) The Fund will not underwrite or sub-underwrite securities of other issuers.

### 3. *DERIVATIVES, TECHNIQUES AND OTHER INSTRUMENTS*

The Fund may, in respect of each Sub-Fund and unless otherwise provided in the investment objective and policy of each Sub-Fund, for the purpose of efficient portfolio management of its assets or for providing protection against exchange rate risks under the conditions and within the limits laid down by law, regulation and administrative practice and as described below, employ techniques and instruments relating to transferable securities (“EMPT”), including securities lending transactions (*opérations de prêt de titres*), repurchase transactions (*opérations à réméré*), reverse repurchase transactions (*opérations de prise en pension*), repurchase agreement transactions (*ventes de titres à réméré*) and TRS.

The Fund will apply EPMT and TRS in accordance with the provisions of Circular 08/356, Circular 14/592 and ESMA Guidelines 2014/937.

When entering into reverse repurchase agreements, the Fund must ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either on an accrued basis or on a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the relevant Sub-Fund. The Fund must ensure that when entering into a repurchase agreement it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

If applicable, direct and indirect operational costs and fees arising from EPMT and TRS will be deducted from the revenue delivered to the Fund. The Fund shall ensure that the global exposure of each Sub-Fund relating to derivative instruments does not exceed the total net assets of that Sub-Fund. Direct and indirect costs and fees incurred as well as the identity of the counterparty(ies) to the corresponding EPMT or TRS will be disclosed in the annual report of the Fund.

The exposure is calculated taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the positions. This shall also apply to the following subparagraphs.

The net exposures (*i.e.* the exposures of a Sub-Fund less the collateral received by this Sub-Fund) to a counterparty arising from the use of EPMT shall be taken into account in the 20% limit provided for in article 43(2) of the Law of 2010 pursuant to point 2 of box 27 of ESMA Guidelines 10/788.

By derogation to the preceding paragraph a Sub-Fund may be fully collateralized in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, an OECD member state, or a public international body to which one or more Member States belong. Such Sub-Fund should receive securities from at least six (6) different issues, but securities from any single issue should not account for more than 30% of the Sub-Fund's Net Asset Value. A Sub-Fund that intends to be fully collateralized in securities issued or guaranteed by a Member State, one or more of its local authorities, an OECD member state, or a public international body to which one or more Member States belong should disclose this fact in the relevant Sub-Fund section or, if this is the case for all Sub-Funds, in the general section on "Investment objectives and policies". The relevant section should also set out the Member States, local authorities or public international bodies issuing or guaranteeing securities which the Sub-Fund is able to accept as collateral for more than 20% of its Net Asset Value.

Each Sub-Fund may invest, unless otherwise provided in its investment objective and policy, as a part of its investment policy and within the limits laid down in restriction 1 (C)(v), in FDIs provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in restrictions 1 (C)(i) to (v). When a Sub-Fund invests in index-based FDIs, these investments do not have to be combined to the limits laid down in restriction 1 (C).

A Sub-Fund will only enter into TRS with highly rated financial institutions specialized in these types of transaction. In addition, the use of TRS must comply with the investment objectives and policies and risk profile of the relevant Sub-Fund. Unless otherwise specified herein, counterparties to FDIs do not have any discretion over the composition or management of the relevant Sub-Fund's investment portfolio or over the underlying of the FDIs, and no approval of the counterparty is required in relation to any investment portfolio transaction of the relevant Sub-Fund.

A Sub-Fund may not use TRS unless the underlying asset's performance referred to under the TRS is in compliance with the investment policy of the relevant Sub-Fund entering into such transaction.

When a transferable security or money market instrument embeds a derivative, the latter must be taken into account when complying with the requirements of this restriction.

The relevant section relating to a Sub-Fund using TRS must include the following:

- (A) information on the underlying strategy and composition of the investment portfolio or index;
- (B) information on the Eligible Counterparty(ies) of the transactions;
- (C) a description of the risk of counterparty default and the effect on investor returns;
- (D) the extent to which the Eligible Counterparty assumes any discretion over the composition or management of the Sub-Fund's investment portfolio or over the underlying of the TRS, and whether the approval of the Eligible Counterparty is required in relation to any investment portfolio transaction of the Sub-Fund; and
- (E) subject to the provisions of the following paragraph, identification of the Eligible Counterparty as an investment manager.

Where the Eligible Counterparty has discretion over the composition or management of the Sub-Fund's investment portfolio or of the underlying of the TRS, the agreement between the Fund acting for the account of the Sub-Fund and the Eligible Counterparty should be considered as an investment management delegation arrangement and should comply with the applicable legal requirements on delegation.

The Fund will publish in its annual report:

- the underlying exposure obtained through TRS;
- the identity of the Eligible Counterparty(ies) to these TRS; and
- the type and amount of Eligible Collateral received by the Sub-Fund to reduce its counterparty exposure.

### **3.1 Options on Securities**

The Fund may deal in options on securities provided the following limitations are observed:

- (A) Purchases and sales of options on securities shall be limited so that, upon exercise thereof, none of the other limit percentages would be infringed.
- (B) Put options on securities may be sold provided adequate liquid assets are set aside by the Sub-Fund concerned until the expiry of the said put options to cover the aggregate exercise price of the securities to be acquired by the Sub-Fund pursuant thereto.
- (C) Call options on securities will only be sold if such sale does not result in a short position; in such event the relevant Sub-Fund will maintain in its portfolio the underlying securities or other adequate instruments to cover the position until the expiry date of the relevant call options granted on behalf of such Sub-Fund, except that the Fund may dispose of the said securities or instruments in declining markets under the following circumstances:
  - (i) the markets must be sufficiently liquid to enable the Fund to cover the short position of that Sub-Fund at any time; and
  - (ii) the aggregate of the exercise prices payable under such uncovered options shall not exceed 25% of the Net Asset Value of such Sub-Fund.
- (D) No option on securities will be purchased or sold unless it is quoted on an exchange or dealt in on a Regulated Market and provided, immediately after its acquisition, the aggregate of the acquisition prices (in terms of premiums paid) of such options and of all other options acquired for purposes other than hedging held by the relevant Sub-Fund does not exceed 15% of its Net Asset Value.

### **3.2 Stock Index Options**

In order to hedge against the risk of fluctuations in the value of a securities portfolio, the Fund may sell call options on stock indices or acquire put options on stock indices provided:

- (A) The commitments deriving therefrom do not exceed the value of the relevant assets to be hedged; and
- (B) The total amount of such transactions does not exceed the level necessary to cover the risk to the fluctuation of the value of the assets concerned.

For the purpose of efficient portfolio management, the Fund may acquire call options on stock indices mainly in order to facilitate changes in the allocation of a Sub-Fund's assets between markets or in anticipation of significant market sector advance, provided the value of the underlying securities included in the relevant stock index options is covered by cash, short-term debt securities and instruments owned by such Sub-Fund or securities to be disposed of by such Sub-Fund at predetermined prices;

provided however that:

- (A) All such options must either be listed on an exchange or dealt in on a Regulated Market; and
- (B) The aggregate acquisition cost (in terms of premium paid) chargeable to a Sub-Fund in respect of options on securities and of all options acquired for purposes other than hedging shall not exceed 15% of the Net Asset Value of such Sub-Fund.

### **3.3 Portfolio Currency Hedging**

The Fund may for the purposes of hedging currency risks have outstanding commitments in respect of forward currency contracts, currency futures or currency swap agreements or currency options (sales of call options or purchases of put options) provided that:

- (A) The total amount of such transactions does not exceed the level necessary to cover the risk of the fluctuation of the value of the assets of the Sub-Fund concerned denominated in a particular currency or any other currency which will be deemed to have a sufficient correlation with that particular currency.

The hedging of currency risk may involve the use of cross-currency contracts to alter the currency exposure of the Sub-Fund in case it is more advantageous to the Sub-Fund; and

- (B) The commitments deriving therefrom do not exceed the value of the relevant assets to be hedged and the duration of these transactions do not exceed the period for which the respective assets are held.

The Fund may also use forward currency contracts to hedge back to investment currencies those investments which are made temporarily in other currencies, if for market reasons the Fund has decided to discontinue temporarily investments denominated in such currency. Similarly, the Fund may hedge through forward contracts or currency options the currency exposure of contemplated investments to be made in investment currencies, provided that these contracts are covered by assets denominated in the currency to be disposed. For the purpose of these restrictions, investment currencies are those currencies which are comprised in the benchmark used by the Fund for investments of the relevant Sub-Fund.

Currency futures and currency options must either be quoted on an exchange or dealt in on a Regulated Market. The Fund may, however, enter into currency forward contracts, option arrangements or swap arrangements with highly rated financial institutions specialized in this type of transaction.

### **3.4 Interest Rate Transactions**

In order to hedge against interest rate fluctuations, the Fund may sell interest rate futures or write call options or purchase put options on interest rates or enter into interest rate swaps provided:

- (A) The commitments deriving therefrom do not exceed the value of the relevant assets to be hedged; and
- (B) The total amount of such transactions does not exceed the level necessary to cover the risk of the fluctuation of the value of the assets concerned.

Such contracts or options must be denominated in the currencies in which the assets of such Sub-Fund are denominated, or in currencies which are likely to fluctuate in a similar manner and must be either listed on an exchange or dealt in on a Regulated Market.

For the purpose of efficient portfolio management, the Fund may also enter into interest rate futures purchase contracts or acquire call and put options on interest rate futures, mainly in order to facilitate changes in the allocation of the assets of a Sub-Fund between shorter or longer term markets, in anticipation of or in a significant market sector advance, or to give a longer term exposure to short term investments, provided always that sufficient cash, short dated debt securities or instruments or securities to be disposed of at a predetermined value exist to match the underlying exposure of both such futures positions and the value of the underlying securities included in call options on interest rate futures acquired for the same purpose and for the same Sub-Fund;

provided however that:

- (A) All such futures and options on interest rate futures must be either listed on an exchange or dealt in on a Regulated Market, whereas interest rate swap transactions may be entered into private by agreement with a highly rated financial institution specialised in this type of transaction; and
- (B) The aggregate acquisition cost (in terms of premium paid) chargeable to a Sub-Fund in respect of options on securities and of all options acquired for purposes other than hedging, shall not exceed 15% of the Net Asset Value of such Sub-Fund.

### **3.5 Dealing in Financial and Index Futures**

In order to hedge against the risk of fluctuations in the value of the portfolio securities of a Sub-Fund, the Fund may have outstanding commitments in respect of financial and index futures sales contracts not exceeding the value of the corresponding assets to be hedged.

For the purpose of efficient portfolio management, the Fund may also enter into financial and index futures purchase contracts, mainly in order to facilitate changes in the allocation of a Sub-Fund's assets between

markets or in anticipation of a significant market sector advance provided that:

- (A) Sufficient cash, short term debt securities or instruments owned by the Sub-Fund concerned or securities to be disposed of by such Sub-Fund at a predetermined value exist to match the underlying exposure of both such futures positions and the value of the underlying securities included in call stock index options acquired for the same purpose; and
- (B) All such index futures must be listed on an exchange or dealt in on a Regulated Market.

### **3.6 Transactions made for a Purpose other than Hedging**

The Fund may, for a purpose other than hedging, purchase and sell futures contracts, options on any kind of financial instruments and equity swaps provided that:

- (A) The aggregate commitments in connection with the purchase and sale of futures contracts, options on any kind of financial instruments and equity swaps together with the amount of the commitments relating to the writing of call and put options on transferable securities does not exceed at any time the value of the net assets of the relevant Sub-Fund; and
- (B) The total premiums paid for the acquisition of outstanding call and put options on transferable securities may not together with the total of the premiums paid for the purchase of call and put options outstanding made for a purpose other than hedging exceed 15% of the net assets of the relevant Sub-Fund.
- (C) The Fund will only enter into equity swap transactions with highly rated financial institutions specialised in this type of transactions.

### **3.7 Transactions in OTC Options**

By derogation to the restrictions set out in paragraphs 3.1, 3.2, 3.3 and 3.4 above, but always within the other limits set forth therein, the Fund may purchase or sell OTC options if such transactions are more advantageous to a Sub-Fund or if quoted options having the required features are not available, provided such transactions are made with highly rated counterparties specializing in these type of transactions.

### **3.8 Repurchase Agreements**

The Fund may enter into repurchase agreements for the purchase or sale of securities where the counterparty is a highly rated financial institution specialized in such transactions. Where the Fund is the purchaser, the securities purchased shall be held by or on behalf of the Fund for the duration of the repurchase agreement. The Fund will limit the total value of securities subject to repurchase agreements in order to ensure it can fulfil its redemption obligations at any time.

If the limits referred to in the preceding paragraphs are exceeded for reasons beyond the control of the Fund, or as a result of the exercise of subscription rights, the Directors must, as a priority, take all steps as necessary within a reasonable period of time to rectify that situation, taking due account of the interests of its shareholders.

### **3.9 Credit Default Swaps**

The Fund may use credit default swaps. A credit default swap is a bilateral financial contract in which one counterpart (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer must either sell particular obligations issued by the reference issuer at their par value (or some other designated reference or strike price) when a credit event occurs or receive a cash settlement based on the difference between the market price and such reference or strike price. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. ISDA has produced standardized documentation for these transactions under the umbrella of its ISDA Master Agreement.

The Fund may use credit default swaps in order to hedge the specific credit risk of some of the issuers in its portfolios by buying protection.

In addition, the Fund may, provided it is in the exclusive interests of its shareholders, buy protection under

credit default swaps without holding the underlying assets provided that the aggregate premiums paid together with the present value of the aggregate premiums still payable in connection with credit default swaps previously purchased and the aggregate premiums paid relating to the purchase of options on transferable securities or on financial instruments for a purpose other than hedging, may not, at any time, exceed 15% of the net assets of the relevant Sub-Fund.

Provided it is in the exclusive interests of its shareholders, the Fund may also sell protection under credit default swaps in order to acquire a specific credit exposure. In addition, the aggregate commitments in connection with such credit default swaps sold together with the amount of the commitments relating to the purchase and sale of futures and option contracts on any kind of financial instruments and the commitments relating to the sale of call and put options on transferable securities may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.

The Fund will only enter into credit default swap transactions with highly rated financial institutions specialized in this type of transaction and only in accordance with the standard terms laid down by the ISDA. In addition, the use of credit default swaps must comply with the investment objectives and policies and risk profile of the relevant Sub-Fund.

The aggregate commitments of all credit default swaps will not exceed 20% of the net assets of any Sub-Fund.

The total commitments arising from the use of credit default swaps together with the total commitments arising from the use of other derivative instruments may not, at any time, exceed the value of the net assets of the relevant Sub-Fund.

The Fund will ensure that, at any time, it has the necessary assets in order to pay redemption proceeds resulting from redemption requests and also meet its obligations resulting from credit default swaps and other techniques and instruments.

#### **4. RISK-MANAGEMENT PROCESS**

The Fund employs a risk-management process which enables it, together with the Management Company, to monitor and measure the value of each Sub-Fund's investment positions and their contribution to the overall risk profile of each Sub-Fund. The risk monitoring process is performed by the Management Company in accordance with the specifications of the Board of Directors and with a frequency and methodology appropriate to the risk profile of each Sub-Fund.

The permanent risk management function is the responsibility of the 'Director of Risk' of the Management Company and is responsible for monitoring the financial risks, paying particular attention to FDIs and the risks associated therewith.

The Management Company shall calculate the Sub-Funds' global exposure by using the commitment approach, the Value at Risk approach or other advanced risk measurement methodologies as may be appropriate.

The Fund must calculate its global exposure on at least a daily basis and the limits on global exposure must be complied with on an ongoing basis.

The Management Company shall, at the same time, ensure that the method selected to measure global exposure is appropriate, taking into account the investment strategy pursued by the Sub-Fund, the types and complexities of the FDIs used, and the proportion of the Sub-Fund's portfolio which comprises FDIs. Where a Sub-Fund employs techniques and instruments including repurchase agreements or securities lending transactions in order to generate additional leverage or exposure to market risk, the Management Company shall take these transactions into consideration when calculating global exposure. The selection of the methodology to calculate global exposure should be based on the self-assessment by the Sub-Fund of its risk profile resulting from its investment policy, including its use of FDIs.

#### **Use of the Value at Risk (VaR) approach**

A Sub-Fund must use an advanced risk measurement methodology (supported by a stress testing program and backtesting of the results produced by the model) such as the Value at Risk (VaR) approach to calculate global

exposure where:

1. it engages in complex investment strategies which represent more than a negligible part of the Sub-Fund's investment policy
2. it has more than a negligible exposure to exotic derivatives
3. the commitment approach doesn't adequately capture the market risk of the portfolio

As a general rule, the Sub-Fund should use a maximum loss approach to assess whether the complex investment strategy or the use of exotic derivatives represent more than a negligible exposure. Those investment strategies that can be pursued by the Sub-Fund through the use of FDIs for which the commitment approach does not adequately capture the related risks (for instance non-directional risks like volatility risk, gamma risk or basis risk) and/or for which it does not give, with regards to the complexity of the strategy, an adequate and risk sensitive view of the related risks, imply the use of an advanced risk measurement methodology. Some examples of such investment strategies can be:

- hedge fund-like strategies
- option strategies (delta-neutral or volatility strategies)
- arbitrage strategies (interest rate curve, convertible bond arbitrage, etc.)
- complex long/short and/or market neutral strategies
- strategies that use derivatives to create a highly leveraged investment position

For the Sub-Funds adopting VaR as methodology to assess the global exposure, also the leverage is calculated.

#### **Use of the Commitment approach**

A Sub-Fund that is not using an advanced risk measurement methodology to calculate global exposure must apply the commitment approach.

The methodology adopted for the assessment of the global exposure of the Sub-Funds other than the Alger Dynamic Opportunities Fund is the commitment approach.

#### **The Sub-Funds**

Except for the Alger Dynamic Opportunities Fund, the Management Company shall calculate the Sub-Funds' global exposure by using the commitment approach.

##### *Risk Management for the Alger Dynamic Opportunities Fund:*

The Sub-Fund will use an absolute Value-at-Risk (VaR) approach to monitor its global exposure.

When applicable, the absolute VaR of a Sub-Fund shall not exceed 20% of the Sub-Fund's Net Asset Value. The global VaR is calculated using a 99% probability on a period of one (1) month.

Leverage will in principle only be achieved through the use of FDIs including OTC Derivatives. It is expected that FDIs will be used to construct synthetic long and short positions.

The leverage of the Sub-Fund (calculated as the sum of the notional of the FDIs used) is expected to range between 0% and 200% of the Sub-Fund's Net Asset Value. In exceptional circumstances, the leverage of the Sub-Fund may be higher due to changes in the market volatility.

#### **5. MISCELLANEOUS**

- A. The Fund may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such securities referred to in paragraph 1. (A) (i), (ii) and (iii) or of ancillary liquid assets shall not be deemed to be the making of a loan and that the Fund shall not be prevented from acquiring such securities above which are

not fully paid.

- B. The Fund need not comply with the investment limit percentages when exercising subscription rights attached to securities which form part of its assets.
- C. The Administrative Agent, the Registrar and Transfer Agent, the Portfolio Manager, the Sub-Portfolio Manager, the Distributor, the Financial Intermediaries, the Custodian and any authorised agents or their associates may have dealings in the assets of the Fund provided that any such transactions are effected on normal commercial terms negotiated at arm's length and provided that each such transaction complies with any of the following:
  - i) a certified valuation of such transaction is provided by a person approved by the Board of Directors as independent and competent;
  - ii) the transaction has been executed on best terms, on and under the rules of an organised investment exchange; or  
where neither i) or ii) is practical
  - iii) where the Board of Directors are satisfied that the transaction has been executed on normal commercial terms negotiated at arm's length.

If the limits referred to in the paragraphs in this section "Investment Limitations" are exceeded for reasons beyond the control of the Fund, or as a result of the exercise of subscription rights, the Board of Directors must, as a priority, take all steps as necessary within a reasonable period of time to rectify that situation, taking due account of the interests of its shareholders.

## **MANAGEMENT AND ADMINISTRATION**

### **Board of Directors**

The Board of Directors is responsible for the Fund's overall investment policy and for ensuring that the Fund is managed in a manner consistent with its objective policies. The Board of Directors has delegated certain of its duties to the Management Company which, in turn, has delegated certain of its functions to the Portfolio Manager (who has delegated certain of its functions to the Sub-Portfolio Manager), the Administrative Agent, the Registrar and Transfer Agent and the Distributor. The Directors are elected by the shareholders at each annual general meeting of shareholders for a period ending on the next annual general meeting, provided that any Director may be removed, with or without cause, and/or replaced at any time, by resolution adopted by the shareholders.

The current Directors of the Fund are listed below, together with their principal occupations and business addresses:

<u>Name</u>	<u>Principal Occupation and Business Address</u>
Roger P. Cheever	Associate Vice President for Principal Gifts and Senior Associate Dean for Development in the Faculty of Arts and Sciences, Harvard University, 124 Mt. Auburn Street, Cambridge MA 02138, USA
Daniel C. Chung	Chief Executive Officer, Chief Investment Officer and President of Fred Alger Management, Inc., 360 Park Avenue South, New York, NY 10010, USA
Hal Liebes	Executive Vice President, Chief Legal Officer, Chief Operating Officer and Secretary of Fred Alger Management, Inc., 360 Park Avenue South, New York, NY 10010, USA

Members of the Board of Directors are entitled to have their reasonable out-of-pocket expenses reimbursed and to any remuneration approved by the shareholders of the Fund at a general meeting of shareholders. It is contemplated that Directors unaffiliated with Alger Associates, Inc. and its subsidiaries will receive annual fees

for serving as Directors in amounts in line with usual practice in Luxembourg.

Specific policies on complaint handling, proxy voting, best execution and conflicts of interest, as adopted from time to time by the Board of Directors, are made available free of charge, to potential investors and Shareholders upon request.

The Board of Directors may appoint a Secretary General for administrative matters.

### **Management Company**

The Board of Directors has designated La Française AM International as Management Company of the Fund to perform investment management, administration and marketing functions for the Fund.

The Management Company was incorporated as a “*Société Anonyme*” in Luxembourg on 14 October 1985 and its articles of incorporation have been modified for the last time on 5 June 2014 and consolidated articles of incorporation were deposited at the *Registre de Commerce et des Sociétés* of Luxembourg on 1 July 2014, mention of which has been published in the *Mémorial* on 6 September 2014. The Management Company complies with the conditions set out in Chapter 15 of the Luxembourg Law of 2010, and therefore is authorized as a management company managing UCITS governed by the UCITS Directive. The corporate object of the Management Company is to manage investment funds under Luxembourg law.

The Management Company is a member of the La Française AM Group (“LAM Group”), which has a multi-affiliate business model organized around four core activities: securities, real estate, investment solutions and direct financing. The LAM Group caters to institutional and private clients throughout the world.

The Management Company’s capital amounts to EUR 2,525,000.

As of the date of the Prospectus, the Management Company, has been appointed to act as management company for other investment funds which will be mentioned in the financial reports of the Fund.

As of the date of the Prospectus, the Management Company’s board of directors consists of the following members:

- Philippe Lecomte, La Française AM International, Chief Executive Officer;
- Philippe Verdier, La Française AM International, Conducting Officer;
- Isabelle Kintz, La Française AM International, Conducting Officer;
- Alain Gerbaldi, La Française AM International, Conducting Officer.

The Management Company has been permitted by the Fund to delegate its investment management functions to investment managers authorized by the Fund, comprising the Portfolio Manager.

In the context of its administration functions, the Management Company has been permitted by the Fund to delegate its administration functions to third parties authorized by the Fund, comprising the Administrative Agent and the Registrar and Transfer Agent.

In the context of its marketing function, the Management Company may enter into agreements with distributors, including the Distributor, which may, in turn, appoint authorized intermediaries or agents to distribute Shares of the Fund.

The Management Company shall ensure compliance of the Fund with the investment restrictions and oversee the implementation of the Fund’s investment policy. The Management Company shall also send reports to the Directors on a semi-annual basis and inform each board member without delay of any non-compliance of the Fund with the investment restrictions.

The Management Company will receive periodic reports from the Portfolio Manager detailing the Fund’s performance and analyzing its investment portfolio. The Management Company will receive similar reports from the Fund’s other services providers in relation to the services which they provide.

The Management Company will monitor on a continued basis the activities of the third parties to which it has delegated functions. The agreements entered into between the Management Company and the relevant third parties provide that the Management Company can give at any time further instructions to such third parties, and that it can withdraw their mandate with immediate effect if this is in the interest of the shareholders. The Management Company's liability towards the Fund is not affected by the fact that it has delegated certain functions to third parties.

### **Portfolio Manager**

Alger Management, Ltd., the Portfolio Manager, has been engaged by the Management Company, pursuant to the Portfolio Management Agreement. Pursuant to the Portfolio Management Agreement, the Portfolio Manager is responsible for making investment and trading decisions for each Sub-Fund on a day-to-day basis, placing orders to purchase and sell securities on behalf of each Sub-Fund, selecting brokers and dealers to execute such purchases and sales, and generally advising each Sub-Fund and the Management Company on all matters relevant to the investment of each Sub-Fund's assets, all within each Sub-Fund's objectives and investment policies and limitations and subject to the oversight of the Management Company.

The Portfolio Manager was incorporated under the laws of England and Wales in August 2013. Its executive office is located at 78 Brook Street, London W1K 5EF, United Kingdom and its registered office is at 21 St Thomas Street, Bristol BS1 GJS, United Kingdom. The Portfolio Manager has been authorized and regulated by the Financial Conduct Authority of the United Kingdom as an investment manager since June 2014.

The Portfolio Manager is majority owned by Alger Associates, Inc.

The Portfolio Manager has been granted the right to delegate its functions under the Portfolio Management Agreement.

### **Sub-Portfolio Manager**

Fred Alger Management, Inc. has been appointed by the Portfolio Manager to serve as the Fund's sub-portfolio manager, pursuant to the Sub-Portfolio Management Agreement between the Fund, the Management Company, the Portfolio Manager and the Sub-Portfolio Manager, as may be amended from time to time. In such capacity, the Sub-Portfolio Manager is responsible to provide support for the day-to-day management and for the functions initially delegated to the Portfolio Manager by the Management Company, as described above.

The Sub-Portfolio Manager was incorporated under the laws of the State of New York, U.S.A., in October 1964. Its executive office is located at 360 Park Avenue South, New York, NY 10010 U.S.A. The Sub-Portfolio Manager is an investment advisor registered with the United States Securities and Exchange Commission under the Investment Advisers Act of 1940. It has been in the business of providing investment advisory and management services since 1964.

The Sub-Portfolio Manager is owned by Fred Alger & Company, Incorporated, which in turn is owned by Alger Associates, Inc.

In selecting brokers or dealers to execute portfolio transactions on behalf of the Sub-Funds, the Sub-Portfolio Manager will use its best efforts to seek the best overall terms available. In assessing the best overall terms available for any transaction, the Sub-Portfolio Manager will consider the factors it deems relevant, including the breadth of the market in the investment, the price of the investment, the financial condition and execution capability of the broker or dealer and the reasonableness of the commission, if any, for the specific transactions and on a continuing basis. In selecting brokers or dealers to execute a particular transaction and in evaluating the best overall terms available, the Sub-Portfolio Manager may consider the brokerage and research services, if any, provided to the Sub-Funds and/or other accounts over which the Sub-Portfolio Manager or an affiliate exercises investment discretion. While the Fund has no obligation to deal with any broker or group of brokers in the execution of transactions in portfolio securities, it is anticipated that, consistent with the above described policies, Fred Alger & Company, Incorporated, an affiliated U.S. broker-dealer, will serve as the Fund's broker in effecting most of the Fund's securities transactions.

The Sub-Portfolio Manager may, in circumstances in which two or more brokers or dealers are in a position to offer comparable results for a portfolio transaction, give preference to a broker or dealer that has provided statistical or other research services to the Sub-Portfolio Manager on the condition that such broker or dealer is a legal entity and not a physical person. In selecting a broker or dealer under these circumstances, the Sub-Portfolio Manager will consider, in addition to the factors listed above, the quality of the research provided by the broker or dealer. The Sub-Portfolio Manager may cause a Sub-Fund to pay higher commissions than those obtainable from other brokers or dealers in exchange for such research services. Such commissions will be disclosed in the annual report of the Fund. The research services generally include: (1) furnishing advice as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the advisability of securities or purchasers or sellers of securities; (2) furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; and (3) effecting securities transactions and performing functions incidental thereto. By allocating transactions in this manner, the Sub-Portfolio Manager is able to supplement its research and analysis with the views and information of securities firms. Information so received will be in addition to, and not in lieu of, the services required to be performed by the Sub-Portfolio Manager under the Sub-Portfolio Management Agreement and the expenses of the Sub-Portfolio Manager will not necessarily be reduced as a result of the receipt of this supplemental research information. Furthermore, research services furnished by brokers or dealers through which the Sub-Portfolio Manager places securities transactions for a Sub-Fund may be used by the Sub-Portfolio Manager in servicing its other accounts, and although not all of these services may be used by the Sub-Portfolio Manager in connection with advising the Sub-Funds they will always be in the best interest of the Sub-Funds and their shareholders.

The Sub-Portfolio Management Agreement provides that the Sub-Portfolio Manager shall not be liable for any error of judgment or mistake of law or for any act or omission or for any decline in the value of a Sub-Fund's assets or other loss suffered by a Sub-Fund in connection with the matters to which the Agreement relates, except a loss resulting from willful misconduct or gross negligence on the part of the Sub-Portfolio Manager, as the case may be, in the performance of its duties thereunder. Under the Sub-Portfolio Management Agreement, the Sub-Portfolio Manager is responsible for ensuring that all investment decisions which it takes on behalf of the Sub-Fund are in compliance with the investment policy and the investment limitations of a Sub-Fund as set forth herein. The Sub-Portfolio Management Agreement has been concluded for an indeterminate period and is terminable by either the Management Company, the Portfolio Manager, the Fund or the Sub-Portfolio Manager at any time upon 90 days' prior written notice to the other party.

#### **Administrative Agent, Registrar and Transfer Agent, Custodian**

State Street Bank Luxembourg S.C.A. is a *société en commandite par actions* organized under the laws of the Grand Duchy of Luxembourg. It was incorporated in Luxembourg on 19 January 1990 and its registered office is 49, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

##### *Administrative Agent*

State Street Bank Luxembourg S.C.A. has been appointed by the Management Company to serve as the Fund's administrative agent, domiciliary, corporate and paying agent, registrar and transfer agent and listing agent pursuant to the Administration Agreement, dated as of 13 January 2016 which can be amended from time to time if agreed to by the counterparties. The Administration Agreement has been concluded for an indeterminate period and is terminable by either party thereto at any time upon 90 days' prior written notice to the other party. The Administration Agreement contains provisions indemnifying the Administrative Agent, and exempting the Administrative Agent from liability, in certain circumstances.

In its capacity as the administrative agent, the Administrative Agent is responsible for the general administration functions required by Luxembourg law, such as calculating the Net Asset Value per Share and maintaining accounting records.

### *Custodian*

State Street Bank Luxembourg S.C.A. also serves as the custodian of the Fund's assets, pursuant to the Custodian Agreement, dated as of 13 January 2016 which can be amended from time to time if agreed to by the counterparties. The Custodian Agreement has been concluded for an indeterminate period and is terminable by either party thereto at any time upon 90 days' prior written notice to the other party. The Custodian Agreement contains provisions indemnifying the Custodian, and exempting the Custodian from liability, in certain circumstances.

The Custodian Agreement provides that all of the Fund's assets are to be held by the Custodian or to its order by its correspondents, agents or depositories. The Custodian will also be responsible for the collection of principal and income on, and the payment for and collection of proceeds of, securities bought and sold by the Fund.

Under the Law of 2010, the Custodian must ensure that the sale, issue, redemption and cancellation of the Fund's Shares are made in accordance with the Fund's Articles of Incorporation and the Law of 2010, that settlement of transactions in securities is made promptly in accordance with usual practice and that the Fund's income is applied in accordance with its Articles of Incorporation.

## **CHARGES AND EXPENSES OF THE FUND**

### **General**

The Board of Directors may decide that newly created Sub-Funds should participate in the payment of the initial formation expenses of the Fund in circumstances where this would appear to be more fair to the Sub-Funds concerned and their respective shareholders. Any such decision of the Board of Directors will be reflected in an updated prospectus.

All recurring expenses will be charged first against income, then against capital gains, if any, and then against assets. These expenses will include the remuneration of the Portfolio Manager and the Management Company, the remuneration and the reimbursement of the expenses of the Administrative Agent, Registrar and Transfer Agent, the Custodian and any other paying agents, expenses for legal, auditing and other professional services, the costs of printing proxies, shareholder reports and prospectuses and other reasonable promotional and marketing expenses, expenses incurred in processing issuances and redemptions of Shares and payments of dividends, if any, taxes, registration fees and other expenses due or incurred in connection with the authorization by and reporting to supervisory authorities in various jurisdictions, the cost of translating the Prospectus and other documents which may be required in various jurisdictions where the Fund is registered, the fees and out-of-pocket expenses of Directors, insurance, listing and brokerage costs, and taxes and costs relating to the transfer and deposit of the Fund's assets. The Fund may also pay certain Financial Intermediaries for administrative and shareholder services necessary for the operation of the Fund.

If further Sub-Funds are created in the future, these Sub-Funds may bear, in principle, their own formation expenses by order of the Board of Directors.

### **Management Company Fee**

The Fund pays the Management Company a tiered management company fee per annum of not more than 0.04% payable in Euro in twelve monthly payments and calculated on the average daily Net Asset Value of the month for each Sub-Fund. Any out-of-pocket expenses will be charged to the respective Sub-Funds on a real cost basis.

### **Management Fee**

The Fund pays to the Portfolio Manager a fee, computed daily and payable monthly in arrears at the following annual rates:

- 1.75% in respect of Class A Shares;

- 0.85% in respect of Class I Shares and Class I-3 Shares;
- 0.65% in respect of Class I-2 Shares;
- 1.00% in respect of Class I-4 Shares;

of the average daily Net Asset Value per Class, subject to a lower fee being payable in case of a fee being payable to any portfolio co-managers of Sub-Funds, as set out hereafter. Out of such fee, (i) the Portfolio Manager may make payments to the Distributor or to Financial Intermediaries on the basis of the value of the Shares owned by the clients of the Distributor or such Financial Intermediaries during any given period and (ii) the Portfolio Manager shall pay the fees of the Sub-Portfolio Manager. Subject to the approval of the Portfolio Manager, the Fund may directly pay the fee(s) of the Sub-Portfolio Manager and/or any portfolio co-managers, appointed in relation to any Sub-Funds, and reduce by the amount of such fee(s) the fee payable to the Portfolio Manager.

#### **Administration and Custodian Fee**

The fees payable to the Custodian and to the Administrator are at such rates and/or amounts as may be agreed from time to time with the Fund in accordance with customary banking practice in Luxembourg. The maximum fee payable to the Custodian is 0.55% per annum and to the Administrator 0.045% per annum (exclusive specific fees payable for the processing of multiple Classes), in each case based on the Net Asset Value of the relevant Sub-Fund. In addition, each of the Custodian and the Administrator is entitled, as the case may be, to a charge per transaction, a flat fee for certain services or products, reimbursements by the Fund for out-of-pocket expenses and disbursements and for charges of any correspondents.

#### **Directors' Fees and Expenses**

The Fund's Directors are entitled to be reimbursed for their reasonable out-of-pocket expenses, including reasonable expenses of attending and returning from meetings of the Board of Directors or general meetings of the Fund; any fees or other remuneration payable to the Directors must be approved by the shareholders of the Fund at a general meeting of shareholders.

#### **Expense Cap for Class A Shares**

In respect of the Class A Shares of The Alger American Asset Growth Fund, the Alger Dynamic Opportunities Fund, the Alger Emerging Markets Fund and the Alger Small Cap Focus Fund, the annual expenses are capped at an annual rate of 2.90% of the relevant Class's average daily net assets. In case fees and expenses charged in relation to the Class would, together with the fees payable to the Portfolio Manager, exceed such cap, the Portfolio Manager will reduce its fee or reimburse expenses in a manner for the cap not to be exceeded.

#### **Expense Cap for Class I Shares**

In respect of the Class I Shares of The Alger American Asset Growth Fund, the Alger Emerging Markets Fund and the Alger Small Cap Focus Fund, the annual expenses are capped at an annual rate of 1.10% of the relevant Class's average daily net assets. In case fees and expenses charged in relation to the Class would, together with the fees payable to the Portfolio Manager, exceed such cap, the Portfolio Manager will reduce its fee or reimburse expenses in a manner for the cap not to be exceeded.

#### **Expense Cap for Class I-2 Shares**

In respect of the Class I-2 Shares of The Alger American Asset Growth Fund, the annual expenses are capped at an annual rate of 0.80% of the relevant Class's average daily net assets. In case fees and expenses charged in relation to the Class would, together with the fees payable to the Portfolio Manager, exceed such cap, the Portfolio Manager will reduce its fee or reimburse expenses in a manner for the cap not to be exceeded.

### **Expense Cap for Class I-3 Shares**

In respect of the Class I-3 Shares of The Alger American Asset Growth Fund, the Alger Dynamic Opportunities Fund and the Alger Emerging Markets Fund, the annual expenses are capped at an annual rate of 1.15% of the relevant Class's average daily net assets. In case fees and expenses charged in relation to the Class would, together with the fees payable to the Portfolio Manager, exceed such cap, the Portfolio Manager will reduce its fee or reimburse expenses in a manner for the cap not to be exceeded.

### **Expense Cap for Class I-4 Shares**

In respect of the Class I-4 Shares of The Alger American Asset Growth Fund, the annual expenses are capped at an annual rate of 1.35% of the relevant Class's average daily net assets. In case fees and expenses charged in relation to the Class would, together with the fees payable to the Portfolio Manager, exceed such cap, the Portfolio Manager will reduce its fee or reimburse expenses in a manner for the cap not to be exceeded.

## **NET ASSET VALUE**

The Net Asset Value per Share of each Class for each Sub-Fund shall be expressed in the currency of the relevant Class up to two decimal places and is determined by the Administrative Agent on each Business Day on the basis of the securities prices prevailing at the close of business of the relevant securities markets on which the investments of the Fund corresponding to each Class of each Sub-Fund are traded, quoted or dealt in on the last trading day immediately preceding the relevant Valuation Date by dividing:

- (i) the Net Asset Value per Class, meaning the value of all the securities and other assets of a Class, less all debts, obligations and liabilities (including accrued expenses) of the Class concerned, by
- (ii) the total number of Shares of the relevant Class then outstanding.

The reference currency of the Fund and of all Sub-Funds is the U.S. Dollar.

### **Valuation of Assets**

The value of the Fund's assets shall be determined as follows:

(1) the value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Board of Directors may consider appropriate in such case to reflect the true value thereof;

(2) the value of all securities and/or FDIs which are listed on an official stock exchange or traded on any other regulated market which operates regularly and is recognized and open to the public, is determined on the basis of the last reported sales price on the exchange or market on which such securities and/or FDIs are traded on the last trading day immediately preceding the Valuation Date, or, if no sales are reported, on the basis of market quotations, in each such case, as furnished by a pricing service approved by the Board of Directors;

(3) in the event that any of the securities and/or FDIs held in the Fund's portfolio on the relevant day are not listed on any stock exchange or traded on any regulated market which operates regularly and is recognized and open to the public, or if, with respect to securities and/or FDIs listed on any stock exchange or traded on any other regulated market which operates regularly and is recognized and open to the public, the price as determined pursuant to sub-paragraph (2) is not representative of the fair market value of the relevant securities and/or FDIs or, if no prices are available, the value of such securities and/or FDIs will be based on the reasonably foreseeable sales price determined prudently and in good faith;

(4) shares or units in underlying open-ended investment funds shall be valued at their last available net asset value;

(5) liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortized cost basis. All other assets, where practice allows, may be valued in the same manner; short-term investments that have a remaining maturity of one year or less may be valued (i) at market value, or (ii) where market value is not available or not representative, at amortized cost;

(6) securities and/or FDIs which are not so listed will be valued on the basis of their last available closing price. Should the last available closing price for a given security and/or financial derivative instrument not truly reflect its fair market value, then that security and/or financial derivative instrument will be valued by the Board of Directors or the Management Company on the basis of the probable sales price which the Board of Directors or the Management Company deems is prudent to assume;

(7) if any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Fund's assets, the Board of Directors may fix different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures;

(8) any assets or liabilities in currencies other than the base currency of the Classes will be converted using the relevant spot rate quoted by a bank or other responsible financial institution;

(9) in circumstances where the interests of the Fund or its shareholders so justify (avoidance of market timing practices, for example), the Board of Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Fund's assets, as further described below.

If such prices are not representative of their fair value, such securities will be valued on the reasonably foreseeable sales prices determined prudently and in good faith by or under the direction of the Board of Directors or the Management Company. Any assets or liabilities expressed in terms of currencies other than U.S. Dollars will be translated into the relevant currency after taking into consideration the market rate or rates of exchange in force at the date and time for determination of the Net Asset Value.

If the determination of the Net Asset Value in the relevant currency of expression is either not reasonably practical or prejudicial to the shareholders of the Fund, the Net Asset Value per Class on the subscription price, redemption price and exchange price may temporarily be determined in such other currency as the directors may determine.

Each such calculation of the Net Asset Value per Share of each Class shall be conclusive absent manifest error.

The Net Asset Value per Share of each Class may be obtained at the registered office of the Fund, and the Fund will arrange for regular publication of the Net Asset Value per Share via any media as the Board of Directors may from time to time determine.

#### **Suspension of the determination of the Net Asset Value**

During the existence of any state of affairs which, in the opinion of the directors, makes the determination of the Net Asset Value in the relevant currency of expression either not reasonably practical or prejudicial to the shareholders of the Fund, the Net Asset Value per Class on the subscription price, redemption price and exchange price may temporarily be determined in such other currency as the directors may determine.

As provided by its Articles of Incorporation, the Fund may suspend temporarily the determination of the Net Asset Value per Share of any Sub-Fund or Class, the subscription price and redemption price and the issue and redemption of its Shares as well as the exchange from and to Shares of each Class under the following circumstances:

- (a) during any period when any market or stock exchange, which is a principal market or stock exchange on which a material part of the investments attributable to the Fund or such Class are quoted, is closed (otherwise than for ordinary holidays), or during which dealings are substantially restricted or suspended;
- (b) during the existence of any state of affairs which in the opinion of the Board of Directors

constitutes a state of emergency as a result of which disposals or valuations of assets owned by the Fund attributable to such Class would be impracticable;

- (c) during any breakdown in, or restriction in the use of, the means of communication normally employed in determining the price or value of any of the investments of such Class or the current prices on any market or stock exchange;
- (d) during any period when the Fund is unable to repatriate monies for the purpose of making payments on the redemption of the Shares of such Class or during which any transfer of monies involved in the realization or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Board of Directors be effected at normal rates of exchange;
- (e) during any period when, in the opinion of the Board of Directors, there exists unusual circumstances which make it impracticable or unfair to the Fund's shareholders to continue dealing with Shares of the Fund;
- (f) if the Fund is being or may be wound up or merged, from the date on which notice is given of a general meeting of shareholders at which a resolution to wind up or merge the Fund is to be proposed or if a Sub-Fund is being liquidated or merged, from the date on which the relevant notice is given;
- (g) when the determination of the net asset value of an undertaking for collective investment or a sub-fund thereof in which a Sub-Fund has substantial investment, is suspended;
- (h) in the case of a redemption request representing an amount exceeding 10% of the Net Asset Value of a Class or Sub-Fund on any relevant Valuation Date; and
- (i) any other circumstances beyond the control of the Board of Directors.

The Board of Directors may, in any of the circumstances listed above, suspend the issue and/or redemption and/or exchange of the Fund's Shares without suspending the calculation of the Net Asset Value.

If appropriate, any such suspension will be notified by publication in such newspaper(s) as the Net Asset Value per Share of each Class may then be regularly quoted and by such other means as the Custodian and the Fund may decide upon.

Shareholders having submitted a purchase order, a redemption request or exchange request for Shares of a particular Class will be notified in writing of any such suspension within seven days of their purchase order, redemption or exchange request and will be promptly notified of the termination of such suspension. Shares issued or redeemed after such suspension will be issued, exchanged or redeemed based on their Net Asset Value on the Valuation Date immediately following such suspension.

The suspension of the Net Asset Value calculation of a Sub-Fund shall have no effect on the calculation of the Net Asset Value, the issue, sale, redemption and exchange of Shares of any other Sub-Fund for which the Net Asset Value calculation is not suspended.

#### **Allocation of Assets and Liabilities**

The Board of Directors shall establish a pool of assets for the Shares of each Sub-Fund in the following manner:

1.
  - (a) the proceeds from the issue of Shares of each Class of each Sub-Fund shall be applied in the books of the Fund to the pool of assets established for that Sub-Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such pool;
  - (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Fund to the same pool as the assets from which it was derived and in each revaluation of an asset, the increase or decrease in value shall be applied to the relevant pool;
  - (c) where the Fund incurs a liability which relates to any asset of a particular pool or to any

action taken in connection with an asset of a particular pool, such liability shall be allocated to the relevant pool;

- (d) in the case where any asset or liability of the Fund cannot be considered as being attributable to a particular pool, such asset or liability shall be equally divided among all the pools or, in so far as justified by the amounts, shall be allocated to the pools pro rata to the net asset value of the relevant pool;
- (e) upon the record date for determination of the person entitled to any dividend on the Shares of each Class of any Sub-Fund, the Net Asset Value of the Shares of such Sub-Fund shall be reduced by the amount of such dividend declared.

2. If there have been created within any Sub-Fund two or several Classes, the allocation rules set out above shall apply in exactly the same manner to such Classes.

### **HOW TO PURCHASE SHARES**

Shares of the Fund are offered in different Classes. Classes differ from each other by the charging structure and other elements applicable to each of them, as more fully described hereafter.

The issue proceeds of all Classes of a Sub-Fund are invested in one common underlying portfolio of investments but the Net Asset Value of each Class will differ as a result of different expense structures.

The Classes currently available for subscription in each Sub-Fund are described under “Application and Payment Procedures” below.

The eligibility requirements applicable to shareholders, as set forth in this Prospectus, are collectively referred to as the “Eligibility Requirements”. Although the Shares are required to be negotiable and transferable on the Luxembourg Stock Exchange upon their admission to trading thereon (and trades registered thereon are not able to be cancelled by the Fund), the Eligibility Requirements will nevertheless apply to any party to which Shares are transferred on the Luxembourg Stock Exchange. The holding at any time of any Shares by a party which does not satisfy the Eligibility Requirements may result in the compulsory redemption of such Shares by the Fund.

The Board of Directors may implement regular savings schemes in accordance with the laws and market practice in those jurisdictions where a Sub-Fund is registered for public marketing of its Shares. Investors are requested to contact the Registrar and Transfer Agent for further information.

Details concerning the offering price for Shares may be obtained at the registered office of the Fund.

#### **Class A US Shares**

The initial offering period for Class A US Shares of Alger Small Cap Focus Fund will be one day, *i.e.* January 29, 2016 and will end on at 5.00 p.m. Luxembourg time at an initial offering price per Share which shall be US\$ 10. The initial offering period may be extended or terminated earlier by the Board of Directors acting in its sole discretion, provided that investors will be duly informed of such decision.

Class A US Shares of the Fund are offered in a continuous offering on each Valuation Date at an offering price equal to the applicable Net Asset Value per Share next determined after receipt of an investor’s purchase in good order by the Registrar and Transfer Agent, plus a sales charge of not more than 6.00% of the total amount invested (equivalent to a sales charge per Share of not more than 6.38% of the Net Asset Value per Share). A minimum initial subscription and holding amount of US\$ 100 is applicable in relation to Class A US Shares.

Any sales charge payable in connection with the sale of the Fund’s Class A US Shares will be for the account of Financial Intermediaries authorized to act in the placement of the Fund’s Shares.

Subject to the laws, regulations or market practices in the jurisdictions where the Fund’s Class A US Shares are offered for sale, the Fund may establish sales charge scales applicable to sales in such jurisdictions, which may

provide for a reduction of the maximum sales charge of 6.00% of the total amount invested (6.38% of Net Asset Value), taking into account the size of the purchase, the type of Financial Intermediary through which a purchase order is placed and the circumstances under which the purchase order is placed. Details of any such scales will be provided in the Fund's offering materials applicable to the relevant jurisdiction. The sales charge shall in no event exceed the maximum permitted by the laws, regulations and practices of any jurisdiction where the Shares are sold.

#### **Class A EU Shares**

Class A EU Shares of the Fund are offered in a continuous offering on each Valuation Date at an offering price equal to the applicable Net Asset Value per Share next determined after receipt of an investor's purchase in good order by the Registrar and Transfer Agent, plus a sales charge of not more than 6.00% of the total amount invested (equivalent to a sales charge per Share of not more than 6.38% of the Net Asset Value per Share). A minimum initial subscription and holding amount of EUR 100 is applicable in relation to Class A EU Shares.

Any sales charge payable in connection with the sale of the Fund's Class A EU Shares will be for the account of Financial Intermediaries authorized to act in the placement of the Fund's Shares.

Subject to the laws, regulations or market practices in the jurisdictions where the Fund's Class A EU Shares are offered for sale, the Fund may establish sales charge scales applicable to sales in such jurisdictions, which may provide for a reduction of the maximum sales charge of 6.00% of the total amount invested (6.38% of Net Asset Value), taking into account the size of the purchase, the type of Financial Intermediary through which a purchase order is placed and the circumstances under which the purchase order is placed. Details of any such scales will be provided in the Fund's offering materials applicable to the relevant jurisdiction. The sales charge shall in no event exceed the maximum permitted by the laws, regulations and practices of any jurisdiction where the Shares are sold.

#### **Class A EUH Shares**

The initial offering period for Class A EUH Shares of The Alger American Asset Growth Fund will be one day, *i.e.* February 26, 2016 and will end on at 5.00 p.m. Luxembourg time at an initial offering price per Share which shall be the Net Asset Value determined on the Valuation Date immediately following the initial offering period in respect of a Class A EU Share of The Alger American Asset Growth Fund. The initial offering period may be extended or terminated earlier by the Board of Directors acting in its sole discretion, provided that investors will be duly informed of such decision.

The initial offering period for Class A EUH Shares of Alger Small Cap Focus Fund will be one day, *i.e.* February 26, 2016 and will end on at 5.00 p.m. Luxembourg time at an initial offering price per Share which shall be EUR 10. The initial offering period may be extended or terminated earlier by the Board of Directors acting in its sole discretion, provided that investors will be duly informed of such decision.

Class A EUH Shares of the Fund are offered in a continuous offering on each Valuation Date at an offering price equal to the applicable Net Asset Value per Share next determined after receipt of an investor's purchase in good order by the Registrar and Transfer Agent, plus a sales charge of not more than 6.00% of the total amount invested (equivalent to a sales charge per Share of not more than 6.38% of the Net Asset Value per Share). A minimum initial subscription and holding amount of EUR 100 is applicable in relation to Class A EUH Shares. Class A EUH Shares are hedged.

Any sales charge payable in connection with the sale of the Fund's Class A EUH Shares will be for the account of Financial Intermediaries authorized to act in the placement of the Fund's Shares.

Subject to the laws, regulations or market practices in the jurisdictions where the Fund's Class A EUH Shares are offered for sale, the Fund may establish sales charge scales applicable to sales in such jurisdictions, which may provide for a reduction of the maximum sales charge of 6.00% of the total amount invested (6.38% of Net Asset Value), taking into account the size of the purchase, the type of Financial Intermediary through which a purchase order is placed and the circumstances under which the purchase order is placed. Details of any such

scales will be provided in the Fund's offering materials applicable to the relevant jurisdiction. The sales charge shall in no event exceed the maximum permitted by the laws, regulations and practices of any jurisdiction where the Shares are sold.

Class A US Shares, Class A EU Shares and Class A EUH Shares may herein be collectively referred to as Class A Shares.

#### **Class I US Shares**

The initial offering period for Class I US Shares of Alger Small Cap Focus Fund will be one day, *i.e.* January 29, 2016 and will end on at 5.00 p.m. Luxembourg time at an initial offering price per Share which shall be US\$ 10. The initial offering period may be extended or terminated earlier by the Board of Directors acting in its sole discretion, provided that investors will be duly informed of such decision.

Class I US Shares of the Fund are restricted to Institutional Investors.

Class I US Shares of the Fund are offered in a continuous offering on each Valuation Date at an offering price equal to the applicable Net Asset Value per Share next determined after receipt of an investor's purchase in good order by the Registrar and Transfer Agent. A minimum initial subscription and holding amount of US\$ 100,000 is applicable in relation to Class I US Shares.

#### **Class I EU Shares**

Class I EU Shares of the Fund are restricted to Institutional Investors.

Class I EU Shares of the Fund are offered in a continuous offering on each Valuation Date at an offering price equal to the applicable Net Asset Value per Share next determined after receipt of an investor's purchase in good order by the Registrar and Transfer Agent. A minimum initial subscription and holding amount of EUR 100,000 is applicable in relation to Class I EU Shares.

#### **Class I EUH Shares**

The initial offering period for Class I EUH Shares of The Alger American Asset Growth Fund will be one day, *i.e.* February 26, 2016 and will end on at 5.00 p.m. Luxembourg time at an initial offering price per Share which shall be the Net Asset Value determined on the Valuation Date immediately following the initial offering period in respect of a Class I EU Share of The Alger American Asset Growth Fund. The initial offering period may be extended or terminated earlier by the Board of Directors acting in its sole discretion, provided that investors will be duly informed of such decision.

The initial offering period for Class I EUH Shares of Alger Small Cap Focus Fund will be one day, *i.e.* February 26, 2016 and will end on at 5.00 p.m. Luxembourg time at an initial offering price per Share which shall be EUR 10. The initial offering period may be extended or terminated earlier by the Board of Directors acting in its sole discretion, provided that investors will be duly informed of such decision.

Class I EUH Shares of the Fund are restricted to Institutional Investors.

Class I EUH Shares of the Fund are offered in a continuous offering on each Valuation Date at an offering price equal to the applicable Net Asset Value per Share next determined after receipt of an investor's purchase in good order by the Registrar and Transfer Agent. A minimum initial subscription and holding amount of EUR 100,000 is applicable in relation to Class I EUH Shares. Class I EUH Shares are hedged.

Class I US Shares, Class I EU Shares and Class I EUH Shares may herein be collectively referred to as Class I Shares.

#### **Class I-2US Shares**

Class I-2US Shares of the Fund are restricted to Institutional Investors.

Class I-2US Shares of the Fund are offered in a continuous offering on each Valuation Date at an offering price

equal to the applicable Net Asset Value per Share next determined after receipt of an investor's purchase in good order by the Registrar and Transfer Agent. Subject to the discretion of the Board of Directors to determine otherwise, a minimum initial subscription and holding amount of US\$ 100 million is applicable in relation to Class I-2US Shares.

#### **Class I-2EU Shares**

Class I-2EU Shares of the Fund are restricted to Institutional Investors.

Class I-2EU Shares of the Fund are offered in a continuous offering on each Valuation Date at an offering price equal to the applicable Net Asset Value per Share next determined after receipt of an investor's purchase in good order by the Registrar and Transfer Agent. Subject to the discretion of the Board of Directors to determine otherwise, a minimum initial subscription and holding amount of EUR 100 million is applicable in relation to Class I-2EU Shares.

Class I-2US Shares and Class I-2EU Shares may herein be collectively referred to as Class I-2 Shares.

#### **Class I-3US Shares**

Class I-3US Shares of the Fund are restricted to investors who have entered into an agreement with the Portfolio Manager or an Alger affiliate authorizing investment in Class I-3US Shares.

Class I-3US Shares of the Fund are offered in a continuous offering on each Valuation Date at an offering price equal to the applicable Net Asset Value per Share next determined after receipt of an investor's purchase in good order by the Registrar and Transfer Agent. A minimum initial subscription and holding amount of US\$ 100,000 is applicable in relation to Class I-3US Shares.

#### **Class I-3EU Shares**

Class I-3EU Shares of the Fund are restricted to investors who have entered into an agreement with the Portfolio Manager or an Alger affiliate authorizing investment in Class I-3EU Shares.

Class I-3EU Shares of the Fund are offered in a continuous offering on each Valuation Date at an offering price equal to the applicable Net Asset Value per Share next determined after receipt of an investor's purchase in good order by the Registrar and Transfer Agent. A minimum initial subscription and holding amount of EUR 100,000 is applicable in relation to Class I-3EU Shares.

Class I-3US Shares and Class I-3EU Shares may herein be collectively referred to as Class I-3 Shares.

#### **Class I-4US Shares**

The initial offering period for Class I-4US Shares of The Alger American Asset Growth Fund will be one day, *i.e.* January 29, 2016 and will end at 5.00 p.m. Luxembourg time at an initial offering price per Share which shall be the Net Asset Value determined on the Valuation Date immediately following the initial offering period in respect of a Class I-3US Share of The Alger American Asset Growth Fund. The initial offering period may be extended or terminated earlier by the Board of Directors acting in its sole discretion, provided that investors will be duly informed of such decision.

Class I-4 US Shares of the Fund are restricted to Institutional Investors.

Class I-4US Shares of the Fund are offered in a continuous offering on each Valuation Date at an offering price equal to the applicable Net Asset Value per Share next determined after receipt of an investor's purchase in good order by the Registrar and Transfer Agent. A minimum initial subscription and holding amount of USD 100,000 is applicable in relation to Class I-4US Shares.

#### **Class I-4EU Shares**

The initial offering period for Class I-4EU Shares of The Alger American Asset Growth Fund will be one day,

*i.e.* January 29, 2016 and will end at 5.00 p.m. Luxembourg time at an initial offering price per Share which shall be the Net Asset Value determined on the Valuation Date immediately following the initial offering period in respect of a Class I-3EU Share of The Alger American Asset Growth Fund. The initial offering period may be extended or terminated earlier by the Board of Directors acting in its sole discretion, provided that investors will be duly informed of such decision.

Class I-4 EU Shares of the Fund are restricted to Institutional Investors.

Class I-4EU Shares of the Fund are offered in a continuous offering on each Valuation Date at an offering price equal to the applicable Net Asset Value per Share next determined after receipt of an investor's purchase in good order by the Registrar and Transfer Agent. A minimum initial subscription and holding amount of EUR 100,000 is applicable in relation to Class I-4EU Shares.

### **Class I4EUH Shares**

The initial offering period for Class I4EUH Shares of The Alger American Asset Growth Fund will be one day, *i.e.* February 26, 2016 and will end at 5.00 p.m. Luxembourg time at an initial offering price per Share which shall be the Net Asset Value determined on the Valuation Date immediately following the initial offering period in respect of a Class I-4EU Share of The Alger American Asset Growth Fund. The initial offering period may be extended or terminated earlier by the Board of Directors acting in its sole discretion, provided that investors will be duly informed of such decision.

Class I-4 EUH Shares of the Fund are restricted to Institutional Investors.

Class I4EUH Shares of the Fund are offered in a continuous offering on each Valuation Date at an offering price equal to the applicable Net Asset Value per Share next determined after receipt of an investor's purchase in good order by the Registrar and Transfer Agent. A minimum initial subscription and holding amount of EUR 100,000 is applicable in relation to Class I4EUH Shares. Class I4EUH Shares are hedged.

Class I-4US Shares, Class I-4EU Shares and Class I4EUH Shares may herein be collectively referred to as Class I-4 Shares.

### **Application and Payment Procedures**

Initial purchases of Shares of a Sub-Fund may be made by completing a subscription form and forwarding it together with all required identification documents to the Registrar and Transfer Agent. Should such documents not be provided, the Registrar and Transfer Agent or other banks, sub-distributors and financial institutions authorized to that end will request such information and documentation as it is necessary to verify the identity of an applicant. Shares will not be issued until such time as the Registrar and Transfer Agent or other banks, sub-distributors and financial institutions authorized to that end have received and are satisfied with all the information and documentation requested to verify the identity of the applicant. Failure to provide such documentation or information may result in a delay of the subscription process or a cancellation of the subscription request. Subsequent purchases may be effected by forwarding a purchase order to the Registrar and Transfer Agent directly. Investors buying Shares through Financial Intermediaries will need to complete the required forms of the Financial Intermediary. In this case, the investor's account will be opened in the name of the Financial Intermediary or its nominee, the Shares will be registered in the name of the Financial Intermediary or its nominee, and any subsequent purchase, redemption, exchange, transfer or other instruction will need to be given through the Financial Intermediary.

All funds received (other than any sales charge imposed) will be fully invested in full and fractional Shares (up to three decimal places). Shareholders should note that Clearstream will accept deliveries of fractional Shares, whereas Euroclear shall only accept deliveries for whole numbers of Shares. Shares held by Clearstream or Euroclear will be registered in the name of the relevant depository.

Purchase orders must be received in proper form by the Registrar and Transfer Agent by 5.00 p.m. (Luxembourg time) on the Business Day preceding the Valuation Date on which the Shares are to be purchased.

Purchase orders received after 5.00 p.m. (Luxembourg time) on the Business Day preceding the Valuation Date will be deferred to the next following Valuation Date.

The Board of Directors reserves the right to establish for each Sub-Fund from time to time minimum amounts for initial subscriptions and for subsequent purchases, which amounts may vary among the jurisdictions in which a Sub-Fund's Shares are offered.

A minimum initial subscription amount is required in respect of the following Classes, subject to the discretion of the Board of Directors to determine otherwise.

<b>Class</b>	<b>Minimum initial subscription</b>
Class A US	USD 100
Class A EU	EUR 100
Class A EUH	EUR 100
Class I US	USD 100,000
Class I EU	EUR 100,000
Class I EUH	EUR 100,000
Class I-2US	USD 100 million
Class I-2EU	EUR 100 million
Class I-3US	USD 100,000
Class I-3EU	EUR 100,000
Class I-4US	USD 100,000
Class I-4EU	EUR 100,000
Class I4EUH	EUR 100,000

Payment for Shares, payable in the reference currency of the relevant Class, must be paid to the Paying Agent as specified herein. However, a subscriber may, with the agreement of the Registrar and Transfer Agent, effect payment to the Paying Agent in any other freely convertible currency. The Registrar and Transfer Agent will arrange, on the Valuation Date concerned, for any necessary currency transaction to convert the subscription monies from the currency of subscription into the reference currency of the relevant Class. Any such currency transaction will be effected at the subscriber's cost and risk. Currency exchange transactions may however delay any issue of Shares since the Registrar and Transfer Agent may choose, in its sole discretion, to delay the execution of any foreign exchange transaction until cleared funds have been received by the Paying Agent.

The Board of Directors reserves the right to establish procedures under which funds received may be returned to the sender in cases where no matching subscription form or subsequent purchase order has been received by the Registrar and Transfer Agent. The Registrar and Transfer Agent or Fund may reject any purchase order.

Payment for any Shares subscribed will be due no later than three Business Days after the applicable Valuation Date. Any delay in the payment for Shares, if accepted by the Fund, may give rise to a penalty fee not to exceed US\$ 100 for the Classes denominated in USD or EUR 100 for the Classes denominated in EUR and which shall be notified to the relevant investor together with the share confirmation of the purchase of Shares. The Fund

reserves the right to delay acceptance of a purchase order and the Valuation Date as of which the relevant Net Asset Value per Share is determined until cleared funds have been received. All orders for the purchase of Shares are subject to acceptance or rejection by the Fund. The Fund reserves the right to suspend the sale of Shares to the public in response to conditions in the securities markets or otherwise.

The subscription price may partly or totally, upon approval of the Board, and subject to all applicable laws, namely with respect to a special audit report confirming the value of any assets contributed in kind, be paid by contributing to the Fund securities acceptable to the Board consistent with the investment policy and investment restrictions of the relevant Sub-Fund. Any costs associated with contributions in kind, including the cost of the special audit report, may be borne by the shareholder requesting such contribution in kind.

Payments for Shares by financial institutions that have access to Euroclear or Clearstream may be made under the following Common Code and ISIN numbers:

	<b>ISIN</b>	<b>Common Code</b>
The Alger American Asset Growth Fund Class A US	LU0070176184	007017618
The Alger American Asset Growth Fund Class A EU	LU1232087814	123208781
The Alger American Asset Growth Fund Class A EUH	LU1339879162	133987916
The Alger American Asset Growth Fund Class I US	LU0295112097	029511209
The Alger American Asset Growth Fund Class I EU	LU1232087905	123208790
The Alger American Asset Growth Fund Class I EUH	LU1339879246	133987924
The Alger American Asset Growth Fund Class I-2US	LU0844526029	084452602
The Alger American Asset Growth Fund Class I-2EU	LU1232088036	123208803
The Alger American Asset Growth Fund Class I-3US	LU0940251175	094025117
The Alger American Asset Growth Fund Class I-3EU	LU1232088119	123208811
The Alger American Asset Growth Fund Class I-4US	LU1339879329	133987932
The Alger American Asset Growth Fund Class I-4EU	LU1339879592	133987959
The Alger American Asset Growth Fund Class I4EUH	LU1339879675	133987967
Alger Dynamic Opportunities Fund Class A US	LU1083692993	108369299
Alger Dynamic Opportunities Fund Class A EU	LU1232088200	123208820
Alger Dynamic Opportunities Fund Class I-3US	LU1083693371	108369337
Alger Dynamic Opportunities Fund Class I-3EU	LU1232088382	123208838
Alger Emerging Markets Fund Class A US	LU0242100229	024210022
Alger Emerging Markets Fund Class A EU	LU1232088465	123208846

Alger Emerging Markets Fund Class I US	LU1086903728	108690372
Alger Emerging Markets Fund Class I EU	LU1232088549	123208854
Alger Emerging Markets Fund Class I-3US	LU1086904023	108690402
Alger Emerging Markets Fund Class I-3EU	LU1232088622	123208862
Alger Small Cap Focus Fund Class A US	LU1339879758	133987975
Alger Small Cap Focus Fund Class A EUH	LU1339879832	133987983
Alger Small Cap Focus Fund Class I US	LU1339879915	133987991
Alger Small Cap Focus Fund Class I EUH	LU1339880095	133988009

### **Share Confirmation**

The Fund's current policy is to issue Shares only in registered form. A share confirmation in respect of the registered shareholding will be sent to the subscriber within 15 days of the Valuation Date as of which the relevant Shares were issued. A shareholder who still has a certificate will be required to surrender such certificate upon any redemption of the Shares represented thereby. The shareholders will be recorded in the register of shareholders of the Fund.

### **REDEMPTION OF SHARES**

Shareholders may redeem some or all of their Shares by sending a written redemption request to the Registrar and Transfer Agent. Such request should include the shareholder's name and account number and the number of Shares or the relevant currency amount to be redeemed. If the Shares are held in non-certificated form, a written redemption request signed by the registered shareholder(s) is required. A redemption request shall be irrevocable, except in case of and during any period when redemptions are suspended or payments delayed under the circumstances contemplated by the Articles of Incorporation.

Investors selling Shares purchased through a Financial Intermediary and registered in the name of the Financial Intermediary or its nominee must instruct the Financial Intermediary to sell the Shares. Only the Financial Intermediary can instruct the Fund to sell those Shares.

Redemption requests must be received by the Registrar and Transfer Agent in good order by 5.00 p.m. (Luxembourg time) on the Business Day preceding the Valuation Date on which the Shares are to be redeemed. The redemption price per Share will be the Net Asset Value per Share determined as of such Valuation Date. Payment by wire, upon request of a shareholder, will be initiated in U.S. Dollars or Euros, as the case may be, within five Business Days of the Valuation Date as of which the Shares are to be redeemed, unless the shareholder's payment of the offering price for such Shares has not cleared, the right of revocation in relation to direct debits has not expired or redemption is suspended or payment delayed under the circumstances contemplated by the Articles of Incorporation. Shareholders will be required to bear any charges to process redemption payments. Redemption requests received after 5.00 p.m. (Luxembourg time) on the Business Day preceding the Valuation Date will be deferred to the next following Valuation Date.

In the case of a redemption request representing an amount exceeding 10% of the Net Asset Value of a Class or Sub-Fund on any relevant Valuation Date, the Fund may elect to defer, on a pro rata basis, redemptions in excess of 10% of the Net Asset Value of the relevant Class or Sub-Fund to the next Valuation Date. In case of any such deferral of redemptions, the relevant Shares shall be redeemed at the Net Asset Value per Share prevailing on the Valuation Date as of which the deferred redemption is effected. On any such Valuation Date, priority will be given to any redemption requests which were so deferred.

In the event of a suspension of the calculation of the Net Asset Value per Share of a particular Class or a deferral of redemptions, Shares to be redeemed on Valuation Dates falling during the period of such suspension or deferral will be redeemed at the Net Asset Value per Share on the first Valuation Date following the termination of such suspension or deferral, unless any such redemption requests are withdrawn in writing prior thereto.

Shareholders may redeem their shareholdings in part, provided that such redemption would not result in such shareholder holding Shares having an aggregate value of less than the minimum holding applicable to the relevant Class, the relevant shareholder will be deemed to have requested redemption of all his Shares.

The Board of Directors may implement regular withdrawal schemes in accordance with the laws and market practice in those jurisdictions where a Sub-Fund is registered for public marketing of its Shares. Investors are requested to contact the Registrar and Transfer Agent for further information.

Any Shares redeemed shall be canceled.

### **Reinvestment Application**

After a shareholder has redeemed some or all of his Shares, the redemption proceeds may be reinvested back into a Sub-Fund at the Net Asset Value for a limited period of time. Class A Shares will not be charged a sales charge. The written reinvestment application, together with a payment, must be received by the Registrar and Transfer Agent within 90 days of the redemption or dividend distribution. The reinvestment purchase will be processed at the Net Asset Value determined on the Business Day following the day of receipt of cleared funds. A shareholder may only use this reinvestment privilege once. Certain Financial Intermediaries may not offer this privilege.

## **EXCHANGE OF SHARES**

Subject to the qualifications and requirements for investment being met, shareholders may exchange their Shares of one Sub-Fund or Class into Shares of another Sub-Fund or Shares of another Class of the same Sub-Fund.

Shareholders wishing to exchange Shares will be entitled to do so on any day which is a Valuation Date by written request to the Registrar and Transfer Agent. Such request should specify the number of Shares to be exchanged, the name in which they are to be registered and the account number.

The number of Shares issued upon exchange will be based upon the respective Net Asset Value per Share of the two relevant Sub-Funds or Classes on the Valuation Date on which the exchange request is effected.

No exchange charge or initial subscription charge is imposed on exchanges for 4 or fewer exchanges per year. Thereafter, the Fund may charge an exchange fee of up to 1%, per exchange, of the value of the Shares to be exchanged. However, certain Financial Intermediaries may charge Class A shareholders an exchange fee of one-half of one percent of the value of the Class A Shares being exchanged which is charged to the shareholder effecting the exchange and paid to the Financial Intermediary.

Exchanges may require the conversion of currency from one Sub-Fund or Class to another. In such event, the number of Shares of the New Sub-Fund or Class obtained on an exchange will be affected by the net foreign currency exchange rate, if any, applied to the exchange. The rate at which Shares are exchanged shall be the currency exchange rate in force at the time of the date of the exchange.

Exchanges may not, however, be effected if the result thereof would be that the shareholder would be registered as holding less than the minimum holding applicable to the original Class and also of the value of the Shares of Class into which his Shares are to be exchanged.

Any request to exchange Shares may not be executed until any previous transaction involving the Shares to be exchanged has been completed and full settlement on those Shares received.

Shares cannot be exchanged with Shares of a Sub-Fund or Class in respect of which the Board of Directors has

decided to temporarily or finally discontinue the issue of further Shares.

### **MARKET TIMING**

The Fund does not knowingly allow investments which are associated with market timing practices, as such practices may adversely affect the interests of all shareholders.

As per CSSF Circular 04/146, market timing is defined as an arbitrage method through which an investor systematically subscribes and redeems or switches units or shares of the same undertaking for collective investment within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the net asset values of the sub-funds of the undertaking for collective investment.

Opportunities may arise for the market timer either if the Net Asset Values of the Sub-Funds are calculated on the basis of market prices which are no longer up to date (stale prices) or if the Sub-Funds accept orders on a Business Day after calculating the Net Asset Value for that Business Day.

Market timing practices are not acceptable as they may affect the performance of the Fund through an increase of costs and/or dilution in Net Asset Value. Activities which may adversely affect the interests of the shareholders (for example that disrupt investment strategies or impact expenses) such as market timing or the use of the Fund as an excessive or short term trading vehicle are not permitted.

While recognizing that shareholders may have legitimate needs to adjust their investments from time to time, the Board of Directors, in its discretion may, if it deems that such activities adversely affect the interests of the shareholders, take action as appropriate to deter such activities.

Accordingly, if the Fund determines or suspects that a shareholder has engaged in such activities, the Fund may suspend, cancel, reject or otherwise deal with that shareholder's subscription, redemption or switching applications and/or restrict the availability of subscriptions, redemptions and/or switching applications through telephone requests, facsimile transmissions, automated telephone services, internet services, or any electronic transfer services and take any action or measures as appropriate or necessary to protect the Fund and its shareholders.

### **DIVIDENDS AND DISTRIBUTIONS**

It is the present intention of the Board of Directors not to recommend the payment of any cash dividends out of net results. Normally, all net investment income and all net realized and unrealized capital gains will be accumulated and shall increase the Net Asset Value per Share.

The shareholders of the Fund may, however, at a general meeting of shareholders, resolve to declare cash or stock dividends within the limits of applicable Luxembourg law, and, in such case, any such dividends would be payable annually in U.S. Dollars or Euros to the holders of the Fund's Shares outstanding as of the record date for such dividend as determined by the shareholders. Notices of dividends will be published in a newspaper of general circulation in Luxembourg.

Under Luxembourg law, any dividend which is payable in cash but remains unclaimed for a period of five years from the date of payment shall be deemed forfeited and shall become the property of the Fund.

### **TAX CONSIDERATIONS**

The following statements on taxation below are intended to be a general summary of certain Luxembourg tax consequences that may result to the Fund and shareholders in connection with their investment in the Fund and are included herein solely for information purposes. They are based on the law and practice in force in Luxembourg at the date of this Prospectus. There is no assurance that the tax status of the Fund or shareholders will not be changed as a result of amendments to, or changes in the interpretation of, relevant tax legislation and regulations. This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Prospective investors should therefore consult their own

professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Fund is made will endure indefinitely. The information herein should not be regarded as legal or tax advice.

The following statements do not address the tax consequences to U.S. Persons, who are prohibited from purchasing or owning Shares of the Fund.

## **Taxation of Shareholders**

### *Luxembourg Taxation*

Subject to the EU tax considerations set forth below, shareholders are not subject, under current legislation in Luxembourg, to any capital gains, income, inheritance or other taxes in Luxembourg in respect of Shares in the Fund or income or gains arising therefrom (except for shareholders domiciled, resident or having a permanent establishment in Luxembourg).

### *EU Tax Considerations*

The Council of the European Union adopted on 3 June 2003 the EU Savings Directive. Under the EU Savings Directive, Member States are required to provide tax authorities of another Member State with details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State.

The Fund reserves the right to reject any application for Shares if the information provided by any prospective investor does not meet the standards required by the Law of 2005 as a result of the EU Savings Directive.

The foregoing is only a summary of the implications of the EU Savings Directive and the Law of 2005, is based on the current interpretation thereof and does not purport to be complete in all respects.

It does not constitute investment or tax advice and investors should therefore seek advice from their financial or tax adviser on the full implications for themselves of the EU Savings Directive and the Law of 2005.

The Grand Duchy of Luxembourg has decided to amend the Law of 2005 and to end as from 1 January 2015 the transitional period foreseen in the EU Savings Directive where account holders could opt between the exchange of information and the withholding tax to introduce automatic exchange of information on interest payments made by a paying agent established in Luxembourg. According to article 8 of the EU Savings Directive, the paying agent will report to the Luxembourg tax authorities the following information regarding the beneficial owner of the payment:

- Identity and residence of the beneficial owner;
- Name and address of the paying agent;
- Account number of the beneficial owner or where there is none, identification of the debt claim giving rise to the interest;
- The total amount of interest or similar income or sales price or repurchase price or repayment price.

The Luxembourg tax authorities will automatically transmit this information to the competent authority of the Member State where the recipient is established. The communication of information shall be automatic and shall take place at least once a year within six months following the end of the tax year of the Member State of the paying agent, for all interest payments made during that year. The first exchange of information will take place in 2016 regarding payments made in 2015.

In March 2014, the Council of the European Union adopted a new directive amending and broadening the scope of the EU Savings Directive in various respects, including extending the EU Savings Directive to non-UCITS and non-UCITS equivalent funds. However, on 10 November 2015 the EU Savings Directive (as amended in March 2014) was repealed by the European Council with effect from 1 January 2016. This follows amendments to the Administration Cooperation Directive providing for the automatic exchange of financial account information between member states of the EU and the new CRS (referred to below). The revised Administration Cooperation Directive entered into force on 1 January 2016.

**The foregoing is only a summary of the implications of the EU Savings Directive, the Law of 2005 and the Administration Cooperation Directive, is based on the current interpretation thereof and does not purport to be complete in all respects. It does not constitute investment or tax advice and investors should therefore seek advice from their financial or tax adviser on the full implications for themselves of the EU Savings Directive, the Law of 2005 and the Administration Cooperation Directive.**

## **Taxation of the Fund**

### *The CRS*

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the CRS to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in 2017. The Administration Cooperation Directive was implemented in Luxembourg by the CRS Law. As a result the Fund is required to comply with the CRS due diligence and reporting requirements, as set forth in the CRS Law. Investors may be required to provide additional information to the Fund to enable the Fund to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the Fund.

The Fund may take such action as it considers necessary in accordance with applicable law in relation to an investor's holding to ensure that any withholding tax payable by the Fund, and any related costs, interest, penalties and other losses and liabilities suffered by the Fund, the Administrative Agent, the Management Company, the Portfolio Manager, the Sub-Portfolio Manager or any other investor, or any agent, delegate, employee, director, officer or affiliate of any of the foregoing persons, arising from such investor's failure to provide the requested information to the Fund, is economically borne by such investor.

### *Luxembourg Taxation*

Under current law and practice in Luxembourg, the Fund is not subject to any Luxembourg income taxes, nor are dividends paid by the Fund subject to any Luxembourg withholding tax. However, the Fund is subject in Luxembourg to a tax of 0.05% per annum of its Net Asset Value, such tax being payable quarterly and calculated on the Net Asset Value of the Fund at the end of the relevant quarter. A reduced tax of 0.01% per annum is payable on the Net Asset Value of Classes which are restricted to Institutional Investors. Moreover, a limited exemption may be available if certain conditions surrounding the investment portfolio are satisfied. Where possible the Fund will seek such an exemption.

No stamp duty or other tax is payable in Luxembourg on the issuance of Shares in the Fund.

Under current law and practice, no capital gains tax is payable in Luxembourg on the realized or unrealized capital appreciation of the assets of the Fund.

### *Investors' Reliance on U.S. Federal Tax Advice in this Prospectus*

**The discussion contained in this Prospectus as to U.S. federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek U.S. federal tax advice based on the taxpayer's particular circumstances from an independent tax advisor.**

As with any investment, the tax consequences of an investment in Shares may be material to an analysis of an investment in the Fund or any Sub-Fund. U.S. Taxpayers investing in a Sub-Fund should be aware of the tax consequences of such an investment before purchasing Shares. This Prospectus discusses certain U.S. federal income tax consequences only generally and does not purport to deal with all of the U.S. federal income tax consequences applicable to the Fund or to all categories of investors, some of whom may be subject to special rules. In particular, because United States persons, as defined for U.S. federal income tax purposes generally will not be permitted to invest in the Fund, the discussion does not address the U.S. federal income tax consequences to such persons of an investment in Shares. The following discussion assumes that no U.S. Taxpayer owns or will own directly or indirectly, or will be considered as owning by reason of certain tax law rules of constructive ownership, 10% or more of the total combined voting power of all Shares. The Fund does not, however, guarantee that this will always be the case. Furthermore, the discussion assumes that the Fund will not hold any interests (other than as a creditor) in any "United States real property holding corporations" as defined in the Code. Each prospective investor is urged to consult his or her tax advisor regarding the specific consequences of an investment in a Sub-Fund under applicable U.S. federal, state, local and foreign income tax laws as well as with respect to any specific gift, estate and inheritance tax issues.

As used herein, the term "U.S. Holder" includes a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); any entity treated as a partnership or corporation for U.S. tax purposes that is created or organized in, or under the laws of, the United States or any state thereof (including the District of Columbia); any other partnership that may be treated as a U.S. Holder under future U.S. Treasury Department regulations; any estate, the income of which is subject to U.S. income taxation regardless of source; and any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as U.S. Holders. Persons who are aliens as to the United States but who have spent 183 days or more in the United States in any of the last two years should check with their tax advisors as to whether they may be considered residents of the United States.

The following discussion assumes that the Fund, including each Sub-Fund thereof, will be treated as a single entity for U.S. federal income tax purposes. The law in this area is uncertain. Thus, it is possible that the U.S. Internal Revenue Service might take a contrary view, treating each Sub-Fund of the Fund as a separate entity for U.S. federal income tax purposes.

### *Taxation of the Fund*

The Fund generally intends to conduct its affairs so that it will not be deemed to be engaged in trade or business in the United States and, therefore, none of its income will be treated as "effectively connected" with a U.S. trade or business carried on by the Fund. If none of the Fund's income is effectively connected with a U.S. trade or business carried on by the Fund, certain categories of income (including dividends (and certain substitute dividends and other dividend equivalent payments) and certain types of interest income) derived by the Fund from U.S. sources will be subject to a U.S. tax of 30%, which tax is generally withheld from such income. Certain other categories of income, generally including most forms of U.S. source interest income (*e.g.* interest and original issue discount on portfolio debt obligations (which may include United States Government securities, original issue discount obligations having an original maturity of 183 days or less, and certificates of deposit), and capital gains (including those derived from options transactions), will not be subject to this 30% withholding tax. If, on the other hand, the Fund derives income which is effectively connected with a U.S. trade

or business carried on by the Fund, such income will be subject to U.S. federal income tax at the graduated rates applicable to U.S. domestic corporations, and the Fund would also be subject to a branch profits tax on earnings removed, or deemed removed, from the United States.

The treatment of credit default swaps as “notional principal contracts” for U.S. federal income tax purposes is uncertain. Were the U.S. Internal Revenue Service to take the position that a credit default swap is not treated as a “notional principal contract” for U.S. federal income tax purposes, payments received by the Fund from such investments in the United States might be subject to U.S. excise or income taxes.

The Fund will be subject to U.S. federal withholding taxes (at a 30% rate) on payments of certain amounts made to the Fund after 2013 (“withholdable payments”), unless the Fund complies with (or is deemed compliant with) extensive reporting and withholding requirements beginning in 2013. Withholdable payments generally will include interest (including original issue discount), dividends, rents, annuities, and other fixed or determinable annual or periodical gains, profits or income, if such payments are derived from U.S. sources, as well as gross proceeds from dispositions of securities that could produce U.S. source interest or dividends. Income which is effectively connected with the conduct of a U.S. trade or business is not, however, included in this definition.

To avoid the withholding tax, ( unless the Fund qualifies to be deemed compliant) the Fund will be required to enter into an agreement with the United States to identify and disclose identifying and financial information about each United States person (or foreign entity with substantial U.S. ownership) which invests in the Fund, and to withhold tax (at a 30% rate) on withholdable payments and related payments made to any investor which fails to furnish information requested by the Fund to satisfy its obligations under the agreement. Certain categories of investors, generally including, but not limited to, tax-exempt investors, publicly traded corporations, banks, regulated investment companies, real estate investment trusts, common trust funds, and state and federal governmental entities, will be exempt from such reporting. The U.S. Department of the Treasury is expected to issue further, detailed guidance as to the mechanics and scope of this new reporting and withholding regime. There can be no assurance as to the timing or impact of any such guidance on future Fund operations.

#### *Taxation of Shareholders*

The U.S. tax consequences to shareholders of distributions from the Fund and of dispositions of Shares generally depends on the shareholder’s particular circumstances, including whether the shareholder conducts a trade or business within the United States or is otherwise taxable as a U.S. Holder.

Shareholders may be required to furnish an appropriate, properly executed IRS Form W-8 to certify their non-U.S. tax status. Failure to provide an appropriate and properly executed IRS Form W-8 when required may require amounts paid to a shareholder as dividends from the Fund, or as gross proceeds from a redemption of Shares, to be reportable to the shareholder and the U.S. Internal Revenue Service on an IRS Form 1099, and may subject the shareholder to backup withholding tax. Backup withholding is not an additional tax. Any amounts withheld may be credited against a shareholder’s U.S. federal income tax liability, if any, or otherwise reclaimed through appropriate filings.

Shareholders generally will not be subject to reporting on IRS Form 1099 or backup withholding, if applicable, provided that such shareholders furnish the Fund with an appropriate and properly executed IRS Form W-8, certifying as to their exempt status.

Shareholders will be required to furnish such additional tax information as the Directors may from time to time request. Failure to furnish requested information may subject a shareholder to U.S. withholding taxes or mandatory redemption of such shareholder’s Shares.

***Prospective investors should consult their own professional advisers with respect to the potential consequences to them of acquiring, holding, redeeming, transferring or selling Shares under the laws of the jurisdictions to which they are subject, including the tax consequences thereof and any applicable exchange control requirements.***

***Prospective investors are further urged to compare the tax consequences to them of investing in the Fund***

*with the consequences of investing directly in the types of securities in which the Fund proposes to invest or in shares of a mutual fund registered under the United States Investment Company Act of 1940 having similar investment policies and objectives.*

### **Foreign Account Tax Compliance Act**

FATCA was enacted in the United States in 2010. It introduces a number of new customer identification, reporting and tax withholding requirements applicable to foreign (*i.e.*, non-U.S.) financial institutions (“FFIs”) that are aimed at preventing citizens and residents of the United States from evading U.S. taxes by holding their assets in financial accounts outside of the United States with such FFIs. The term “FFI” is defined very broadly and therefore the Fund, the Sub-Funds, and certain financial intermediaries that contract with the Fund are considered FFIs.

*The following is a general discussion of the application of FATCA to the Fund, as well as existing and prospective investors or Shareholders. It is included for general informational purposes only, should not be relied upon as tax advice and may not be applicable depending upon a Shareholder’s particular situation. Investors should consult their independent tax advisors regarding the tax consequences to them of the purchase, ownership and disposition of the Shares, including the tax consequences under United States federal laws (and any proposed changes in applicable law).*

#### *FFI Agreements and FATCA Withholding*

FATCA generally requires FFIs to enter into agreements (“FFI Agreements”) with the U.S. Internal Revenue Service (the “IRS”), under which they agree to identify and report information to the IRS on any U.S. Reportable Accounts held by them. The IRS assigns a global intermediary identification number (“GIIN”) to each FFI that has entered into an FFI Agreement, which confirms the FFI’s status as a Participating FFI. If an FFI fails to enter into an FFI Agreement and is not otherwise exempt, it will be treated as a nonparticipating FFI and may become subject to a 30% withholding tax on “withholdable payments” or “passthru payments” (as defined in FATCA) it receives (collectively “FATCA Withholding”), unless the FFI complies with FATCA under other permissive alternatives, such as the alternative applicable to the Fund and the Sub-Funds described below. Withholdable payments include generally (i) any U.S. source fixed or determinable annual or periodic income (“U.S. source FDAP income”) and (ii) the gross proceeds from the sale or other disposition of any property of a type that can produce interest or dividends that are U.S. source FDAP income. The term “passthru payment” is defined for purposes of section 1471 of the Code generally to include withholdable payments and payments that are attributable to withholdable payments made by an FFI.

#### *Application of FATCA to the Fund*

The governments of the United States and the Grand Duchy of Luxembourg have entered into an Intergovernmental Agreement (the “Luxembourg IGA”) that establishes a framework for cooperation and information sharing between the two countries and provides an alternative way for FFIs in Luxembourg, including the Fund, to comply with FATCA without having to enter into an FFI Agreement with the IRS. Pursuant to the Luxembourg IGA, the Fund must register with the IRS as a Reporting Model 1 FFI (as defined in FATCA) and is assigned a GIIN. Under the terms of the Luxembourg IGA, the Fund will identify any U.S. Reportable Accounts held by it and report certain information on such U.S. Reportable Accounts to the Luxembourg tax authorities, which, in turn, will report such information to the IRS.

#### *Application of FATCA to Investors*

Each existing and prospective investor in the Sub-Funds is expected to be required to provide the Administrative Agent with such information as the Administrative Agent may deem necessary to determine whether such Shareholder is a U.S. Reportable Account or otherwise qualifies for an exemption under FATCA. If Shares are held in a nominee account by a non-FFI nominee for the benefit of their underlying beneficial owner, the underlying beneficial owner is an accountholder under FATCA, and the information provided must pertain to the beneficial owner.

Please note that the term “U.S. Reportable Account” under FATCA applies to a wider range of investors than the term “U.S. Person” under Regulation S of the Securities Act. Please refer to the Glossary of Terms and Appendix I of the Prospectus for definitions of both of these terms. Investors should consult their legal counsel or independent tax advisors regarding whether they fall under either of these definitions.

#### *Implementation and Timing*

FATCA establishes transition periods for the implementation of the FATCA Withholding. Withholding on payments of U.S. Source FDAP Income to new accounts opened by an FFI after 30 June 2014 begins on 1 July 2014. Withholding on payments of U.S. Source FDAP Income for accounts opened prior to 30 June 2014 begins on 1 July 2015 for accounts with balances exceeding U.S. \$1 million and 1 July 2016 for accounts with lower balances. Withholding on gross proceeds from the sale or other disposition of investments and on passthru payments begins after 31 December 2016.

## **ORGANIZATION OF THE FUND**

### **Organization**

The Fund was incorporated on 26 July 1996 in the Grand Duchy of Luxembourg under the name of “The Alger American Asset Growth Fund”, a “*société anonyme*” with unlimited duration under the Law of 1915 with an initial share capital of US\$ 80,000. The name of the Fund was amended to “Alger SICAV” by a notarial deed passed on 11 August 2000 and published in the *Mémorial* on 22 September 2000. The Fund is organized in the form of a “*société d’investissement à capital variable*” (i.e., a company with variable capital, commonly known as a SICAV), and qualifies as a UCITS under Part I of the Law of 2010.

The Fund is registered under number B 55 679 at the *Registre de Commerce et des Sociétés* of Luxembourg, where its Articles of Incorporation are available for inspection (as well as at the Fund’s registered office at 49, Avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg). The Articles of Incorporation were published in the *Mémorial* on 23 August 1996. The Articles of Incorporation were amended for the last time on 15 June 2012 by a notarial deed published in the *Mémorial* on 29 June 2012.

### **Capital**

The Fund offers an unlimited number of Shares of different Classes without nominal value. The corporate capital of the Fund shall at any time be equal to the total net assets of the Fund.

### **General Meetings of Shareholders**

The annual general meeting of the shareholders of the Fund will be held in Luxembourg at the Fund’s registered office at 3 p.m. on the last Friday in April of each year (or if such day is not a Business Day in Luxembourg, on the next following Business Day in Luxembourg). Other general meetings of shareholders may be held at such time and place as are indicated in the notices of such meetings. Notices of general meetings and other notices to shareholders will be sent to shareholders at their addresses appearing in the register of shareholders and may, in addition, be published in such newspapers as the Board of Directors may determine. As long as the Shares of the Fund are listed on the Luxembourg Stock Exchange, all notices to shareholders will be published in a newspaper of general circulation in Luxembourg. Notices will specify the place and time of the meeting, the agenda, the conditions of admission, and the quorum and voting requirements.

At all general meetings of shareholders, shareholders will be entitled to one vote for each full Share held, which votes may be cast in person or by proxy. Fractional Shares will not be entitled to any voting rights.

### **Liquidation of the Fund**

The Fund will be liquidated under the conditions contemplated by the Law of 2010. If the capital of the Fund falls below two-thirds of the minimum capital as required by Luxembourg law, the Board of Directors is required to submit the question of the Fund’s dissolution to a general meeting of the Fund’s shareholders for

which there is no required quorum and at which resolutions may be passed by shareholders holding a simple majority of the Shares represented at the meeting.

If the capital of the Fund falls below one quarter of the required minimum capital, the Board of Directors is required to submit the question of the Fund's dissolution to a general meeting of the Fund's shareholders for which there is no required quorum and at which resolutions may be passed by shareholders holding one quarter of the Shares represented at the meeting.

Any such general meeting of shareholders must be convened so as to be held within 40 days of the date as of which it is established that the Fund's capital has fallen below two-thirds or one-quarter of the minimum capital required by law.

In addition, the Fund can be dissolved by decision of a general meeting of shareholders in accordance with the procedures contemplated by the Articles of Incorporation.

In the event of dissolution of the Fund, the Fund's assets shall be liquidated by one or more liquidators designated in accordance with the Articles of Incorporation, the Law of 1915 and the Law of 2010.

The completion of the liquidation of the Fund must in principle take place within a period of nine months from the date of the decision relating to the liquidation. Where the liquidation of the Fund cannot be fully completed within a period of nine months, a written request for exemption shall be submitted to the CSSF detailing the reasons why the liquidation cannot be completed.

As soon as the closure of the liquidation of the Fund has been decided, whether this decision is taken before the nine-month period has expired or at a later date, any residual funds not claimed by shareholders prior to the completion of the liquidation shall be deposited as soon as possible at the *Caisse de Consignation*.

### **Liquidation of a Sub-Fund or Class**

A Sub-Fund or a Class may be terminated by resolution of the Board of Directors if the Net Asset Value of a Sub-Fund or a Class is below US\$ 5,000,000 or EUR 5,000,000 or in the event of special circumstances beyond its control, such as political, economic, or military emergencies, or if the Board of Directors should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Sub-Fund or a Class to operate in an economically efficient manner, and with due regard to the best interests of shareholders, that a Sub-Fund or a Class should be terminated. In such event, the assets of the Sub-Fund or the Class will be realized, the liabilities discharged and the net proceeds of realization distributed to shareholders in proportion to their holding of Shares in that Sub-Fund or Class against such evidence of discharge as the Board of Directors may reasonably require. This decision will be notified to shareholders as required. No Shares shall be redeemed after the date of the decision to liquidate the Sub-Fund or a Class.

The completion of the liquidation of a Sub-Fund or a Class must in principle take place within a period of nine months from the date of decision of the Board of Directors relating to the liquidation. Where the liquidation of Sub-Fund or a Class cannot be fully completed within a period of nine months, a written request for exemption shall be submitted to the CSSF detailing the reasons why the liquidation cannot be completed.

As soon as the closure of the liquidation of Sub-Fund or a Class has been decided, whether this decision is taken before the nine-month period has expired or at a later date, any residual funds not claimed by shareholders prior to the completion of the liquidation shall be deposited as soon as possible at the *Caisse de Consignation*.

### **Mergers**

The Fund and the Sub-Funds may be merged in accordance with the provisions of the Law of 2010.

A Class may merge with one or more other Classes by resolution of the Board of Directors if the Net Asset Value of Class is below US\$ 5,000,000 or EUR 5,000,000 or in the event of special circumstances beyond its control, such as political, economic, or military emergencies, or if the Board of Directors should conclude, in

light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Class to operate in an economically efficient manner, and with due regard to the best interests of shareholders, that a Class should be merged. This decision will be notified to shareholders as required. Each shareholder of the relevant Class shall be given the option, within a period to be determined by the Board of Directors (but not being less than one month, unless otherwise authorized by the regulatory authorities, and specified in said notice), to request free of any redemption charge either the repurchase of its Shares or the exchange of its Shares against Shares of any Class not concerned by the merger.

A Class may be contributed to another investment fund by resolution of the Board of Directors in the event of special circumstances beyond its control, such as political, economic, or military emergencies, or if the Board of Directors should conclude, in light of prevailing market or other conditions, including conditions that may adversely affect the ability of a Class to operate in an economically efficient manner, and with due regard to the best interests of shareholders, that a Class should be contributed to another fund. This decision will be notified to shareholders as required. Each shareholder of the relevant Class shall be given the option within a period to be determined by the Board of Directors (but not being less than one month, unless otherwise authorized by the regulatory authorities, and specified in said notice) and specified in said notices, to request, free of any redemption charge, the repurchase of its Shares. Where the holding of units in another undertaking for collective investment does not confer voting rights, the contribution will be binding only on shareholders of the relevant Class who expressly agree to the contribution.

In the event that the Board of Directors determines that it is required by the interests of the shareholders of the relevant Class or Sub-Fund or that a change in the economical or political situation relating to the Class or Sub-Fund concerned has occurred which would justify it, the reorganization of one Class or Sub-Fund, by means of a division into two or more Classes or Sub-Funds, may be decided by the Board of Directors. Such decision will be published in the same manner as described above and, in addition, the publication will contain information in relation to the two or more new Classes or Sub-Funds. Such publication will be made within one month before the date on which the reorganization becomes effective in order to enable the shareholders to request redemption of their Shares, free of charge before the operation involving division into two or more Classes or Sub-Funds becomes effective. Any applicable CSDC is not to be considered as a redemption charge and shall therefore be due.

Notwithstanding the paragraphs above, the decision to liquidate, to merge or to reorganize a Class or a Sub-Fund may be taken at a meeting of shareholders of the Class or the Sub-Fund to be liquidated, merged or reorganized instead of being taken by the Board of Directors. At such Class or Sub-Fund meeting, no quorum shall be required and the decision to liquidate, merge or reorganize must be approved by shareholders holding at least a simple majority of the Shares present or represented.

The notice period required to call such Class or Sub-Fund meeting shall be in accordance with the laws of the Grand-Duchy of Luxembourg. The decision of the meeting will be notified and/or published by the Fund no later than one month before the effective date of the liquidation, merger or reorganization of the Class or Sub-Fund in order to enable shareholders to request redemption or exchange of their Shares, free of charge, before the liquidation, merger or reorganization of the Class or Sub-Fund becomes effective.

## **DESCRIPTION OF SHARES**

Shares of the Fund may be of different Sub-Funds and different Classes. They are without nominal value, and have identical rights and privileges. All Shares must be fully paid upon issuance. Although the Articles of Incorporation permit the issuance of Shares in bearer form, it is the Fund's current policy, subject to modification by the Board of Directors, to issue Shares in registered form only. A confirmation will be issued to a shareholder upon its purchase of Shares. Fractions of Shares will be issued up to three decimal places.

Each Share shall carry the right to participate, on a pro rata basis, in the Fund's profits and dividends and in its assets upon liquidation.

None of the Shares will have preferential, preemptive or exchange rights. There are no, nor is it intended that

there will be any, outstanding options or special rights relating to any Shares.

Shares are freely transferable, except that as provided in the Articles of Incorporation, the ownership of Shares by certain persons is prohibited. See section “Restrictions on Ownership of Shares” below. Shares may be transferred by registering the transfer in the Fund’s register of shareholders (which registration will not be effected prior to the delivery of the relevant confirmation(s) of ownership, if any).

The Fund may hedge certain Classes which are denominated in a currency which is different from the reference currency of the relevant Sub-Fund. Such Classes are identified as being hedged in their description under the section “How to Purchase Shares” of this Prospectus. Where such currency hedging is applied, the Fund may, in relation to the Sub-Fund concerned and exclusively for the relevant Class, perform foreign exchange forward transactions, currency futures transactions, currency options transactions and currency swaps, in order to preserve the value of the Class from fluctuations of its currency against the reference currency of the relevant Sub-Fund. Where such transactions are performed, the effects of this hedging shall be reflected in the Net Asset Value and hence in the performance of the Class. Similarly, any costs due to such hedging transactions shall be borne by the Class in which they were incurred. Such hedging transactions may be performed regardless of whether the currency of the Class rises or falls compared to the currency of the Sub-Fund. Therefore, where such hedging is carried out, it may protect the investor in the corresponding Class against a fall in the value of the currency of the Sub-Fund relative to the currency of the Class, though it may also prevent the investor from profiting from an increase in the value of the currency of the Sub-Fund.

The Fund’s Shares are listed on the Luxembourg Stock Exchange.

### **RESTRICTIONS ON OWNERSHIP OF SHARES**

The Articles of Incorporation provide that the Board of Directors shall have the power to impose such restrictions (other than any restrictions on transfer), including limiting or prohibiting the ownership of Shares by any person, firm or corporate body, including any United States person (as defined in the Notice set out in the front pages of this Prospectus), as it may deem necessary for the purpose of ensuring that no Shares in the Fund are acquired or held by or on behalf of any person in breach of the laws or requirements of any country or governmental or regulatory authority or by any person in circumstances which in the opinion of the Board of Directors might result in the Fund incurring any liability to taxation, or suffering any other pecuniary disadvantage which the Fund might not otherwise have incurred or suffered. In this connection, the Fund may: (a) reject in its discretion any subscription for Shares; and (b) redeem at any time the Shares held by shareholders who are excluded from purchasing or holding Shares.

The Board of Directors has established a policy that neither the Fund nor any other person acting on its behalf shall offer or sell any Shares in the United States or to any United States person or to any other person for reoffering or resale, directly or indirectly, in the United States or to any United States person. If at any time it comes to the attention of the Fund that Shares are beneficially owned by a United States person (other than any affiliate of the Portfolio Manager or of the Sub-Portfolio Manager), the Fund may effect a compulsory redemption of such Shares.

In addition to the foregoing, the Board of Directors has decided that neither the Fund nor any other person acting on its behalf shall offer or sell any Shares to any U.S. Person. In this connection, as set out above, the Fund may reject subscription and compulsorily redeem Shares held by such a U.S. Person.

The Fund will also reject all applications that do not include the information needed for FATCA compliance, as further detailed in this Prospectus.

Class I-3 Shares of the Fund are restricted to investors who have entered into an agreement with the Portfolio Manager or the Sub-Portfolio Manager or an Alger affiliate authorizing investment in Class I-3 Shares. The Fund will not accept to issue Class I-3 Shares to persons who have not entered into such an agreement.

Furthermore, the Fund will not give effect to any issue and transfer of Class I-3 Shares which would result in a person who has not entered into an agreement with the Portfolio Manager or the Sub-Portfolio Manager or an

Alger affiliate authorizing investment in Class I-3 Shares becoming a shareholder in that Class.

The holding of Class I and Class I-2 Shares is restricted to Institutional Investors. The Fund will not accept to issue Class I and Class I-2 Shares to persons who may not be considered as Institutional Investors.

Furthermore, the Fund will not give effect to any issue and transfer of Class I and Class I-2 Shares which would result in a non-Institutional Investor becoming a shareholder in that Class.

The Fund will, at its discretion, refuse to issue Class I and/or Class I-2 Shares or to transfer Class I and/or Class I-2 Shares if there is not sufficient evidence that the person or company to which such Shares are sold or transferred is an Institutional Investor.

Institutional Investors applying for Shares in their own name but on behalf of a third party, must certify to the Fund that such application is made on behalf of an Institutional Investor and the Fund may require, at its sole discretion, evidence that the beneficial owner of the Shares is an Institutional Investor. The foregoing shall however not apply to credit institutions or other professionals of the financial sector, established in Luxembourg or abroad, which invest in their own name but on behalf of their non-institutional clients on the basis of a discretionary management mandate.

Where it appears to the Board of Directors that a person who is precluded from holding Class I or Class I-2 Shares, either alone or in conjunction with any other person, is a beneficial owner of such Shares, the Board of Directors may proceed to compulsory exchange of such Class I or Class I-2 Shares into Class A Shares, provided that Class A Shares having an identical investment policy is available, or compulsorily redeem all Class I or Class I-2 Shares so owned, in accordance with the provisions of the Articles of Incorporation.

#### **DISTRIBUTION OF SHARES**

The Management Company and the Distributor may conclude contractual arrangements with Financial Intermediaries for the distribution of the Fund's Shares in jurisdictions outside of the United States. A current list of such Financial Intermediaries may be obtained from the Fund.

#### **SHAREHOLDER REPORTS**

Annual reports containing the audited financial accounts of the Fund in respect of the preceding financial year of the Fund will be made available to shareholders at the Fund's registered office at least 15 days before each annual general meeting of shareholders. Semi-annual reports containing unaudited financial information will be made available to shareholders at the Fund's registered office within two months of each June 30. The Fund's accounts are expressed in U.S. Dollars.

#### **SHAREHOLDERS' RIGHTS**

The Fund draws the shareholders' attention to the fact that any shareholder will only be able to fully exercise his rights directly against the Fund, notably the right to participate in general shareholders' meetings, if the shareholder is registered himself and in his own name in the Fund's register. In cases where a shareholder invests in the Fund through an intermediary investing into a Sub-Fund in his own name but on behalf of the shareholder, it may not always be possible for the shareholder to exercise certain shareholder rights directly against the Fund. Shareholders are advised to obtain advice on their rights.

#### **DATA PROTECTION**

Prospective investors should note that by completing the subscription form they are providing personal information, which may constitute personal data. This data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Fund, its delegates and agents. By signing the subscription form, prospective investors acknowledge that they are providing their consent to the Fund, its delegates and its or their duly authorized agents and any of their respective related, associated or affiliated

companies obtaining, holding, using, disclosing and processing the data for any one or more of the following purposes:

- to manage and administer the investor's holding in the Fund and any related accounts on an ongoing basis;
- for any other specific purposes where the investor has given specific consent;
- to carry out statistical analysis and market research;
- to comply with legal and regulatory obligations applicable to the investor and the Fund;
- for disclosure or transfer, whether in Luxembourg or countries outside Luxembourg, including without limitation the United States, which may not have the same data protection laws as Luxembourg, to third parties including financial advisers, regulatory bodies, auditors, technology providers or to the Fund and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above; or
- for other legitimate business interests of the Fund.

By signing the subscription form, prospective investors acknowledge and accept that the Fund and/or the Administrative Agent, for purposes of FATCA compliance, may be required to disclose personal data relating to U.S. Reportable Persons to the U.S. Internal Revenue Service.

#### **INDEPENDENT AUDITOR**

As of the date of this Prospectus, the accounts and assets of the Fund will be audited in Luxembourg for each fiscal year of the Fund by Deloitte S.A., independent auditor in Luxembourg. The fiscal year, and the books of the Fund, will be closed each year on 31 December.

#### **HISTORICAL PERFORMANCE**

If available, past performance information will be included in the KIIDs which are available from the registered office of the Fund.

#### **LEGAL ADVISORS**

Dechert (Luxembourg) LLP acts as legal counsel to the Fund in Luxembourg.

#### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during usual business hours on any day which is a Business Day in Luxembourg at the registered office of the Fund (as shown on page 5 of this Prospectus):

- i. Articles of Incorporation;
- ii. Fund Management Agreement;
- iii. Portfolio Management Agreement;
- iv. Sub-Portfolio Management Agreement;
- v. Custodian Agreement;
- vi. Administration Agreement;

Copies of the Articles of Incorporation and the latest annual and semi-annual reports may be obtained from the registered office of the Fund.

The agreements referred to in (ii) through (vi) above may be amended by mutual consent of the parties to such agreements.

## **COMPLAINTS**

Complaints regarding the operation of the Fund may be submitted to the registered office of the Fund and/or to the Management Company.

# ALGER

## APPENDIX I

### Definition of U.S. Person and U.S. Reportable Person

#### Regulation S Definition of U.S. Person

A “U.S. Person” for the purpose of this Prospectus is a “U.S. Person” as defined by Rule 902 of Regulation S promulgated under the Securities Act, and does not include any “Non-United States person” as used in Rule 4.7 under the U.S. Commodity Exchange Act, as amended;

Regulation S currently provides that:

1. “U.S. Person” means:
  - a. any natural person resident in the U.S.;
  - b. any partnership or corporation organized or incorporated under the laws of the U.S.;
  - c. any estate of which any executor or administrator is a U.S. Person;
  - d. any trust of which any trustee is a U.S. Person;
  - e. any agency or branch of a non-U.S. entity located in the U.S.;
  - f. any non-discretionary or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
  - g. any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated or (if an individual) resident in the U.S.; and
  - h. any partnership or corporation if
    - (i) organized or incorporated under the laws of any non-U.S. jurisdiction and
    - (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined under Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts.
2. “U.S. Person” does not include:
  - a. any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated, or, if an individual, resident in the U.S.;
  - b. any estate of which any professional fiduciary acting as executor or administrator is a U.S. Person if (i) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by non-U.S. law;
  - c. any trust of which any professional fiduciary acting as trustee is a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;
  - d. an employee benefit plan established and administered in accordance with the law of a country other than the U.S. and customary practices and documentation of such country;
  - e. any agency or branch of a U.S. Person located outside the U.S. if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;

- f. the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations and their agencies, affiliates and pension plans and any other similar international organisations, their agencies, affiliates and pension plans; and
- g. any entity excluded or exempted from the definition of “U.S. Person” in reliance on or with reference to interpretations or positions of the U.S. Securities Exchange Commission or its staff.

Rule 4.7 of the U.S. Commodity Exchange Act regulations currently provides in relevant part that the following persons are considered “Non-United States persons”: (a) a natural person who is not a resident of the U.S.; (b) a partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction; (c) an estate or trust, the income of which is not subject to U.S. income tax regardless of source; (d) an entity organized principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as non-U.S. Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as non-U.S. Persons in a pool with respect to which the operator is exempt from certain requirements of the U.S. Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. Persons; and (e) a pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside of the U.S.

#### **Definition of the Term “Resident” For Purposes of Regulation S**

For purposes of the definition of “U.S. Person” in (1) above with respect to natural persons, a natural person shall be resident in the U.S. if such person (i) holds an Alien Registration Card (a “green card”) issued by the U.S. Immigration and Naturalization Service or (ii) meets a “substantial presence test.” The “substantial presence” test is generally met with respect to any current calendar year if (i) the individual was present in the U.S. on at least 31 days during such year and (ii) the sum of the number of days on which such individual was present in the U.S. during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 180 days.

#### **Definition of U.S. Reportable Person**

- (1) “U.S. Reportable Person” means (i) a U.S. Taxpayer that is not an Excluded U.S. Taxpayer or (ii) a Passive U.S. Controlled Foreign Entity.
- (2) “U.S. Taxpayer” means:
  - (a) a U.S. citizen or resident alien of the U.S. (as defined for U.S. Federal income tax purposes);
  - (b) any entity treated as a partnership or corporation for U.S. tax purposes that is created or organised in, or under the laws of, the U.S. or any state thereof;
  - (c) any other partnership that is treated as a U.S. Person under U.S. Treasury Department regulations;
  - (d) any estate, the income of which is subject to U.S. income taxation regardless of source; and
  - (e) any trust over whose administration a court within the U.S. has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the U.S. may nonetheless, in some circumstances, be treated as U.S. Taxpayers.

An investor may be a U.S. Taxpayer for Federal income tax purposes but not a “U.S. Person” for purposes of investor qualification for a Sub-Fund. For example, an individual who is a U.S. citizen residing outside of the U.S. is not a “U.S. Person” but is a U.S. Taxpayer for Federal income tax purposes;

- (3) “Excluded U.S. Taxpayer” means a U.S. Taxpayer who is also: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a member of

the same expanded affiliated group, as defined in Section 1471(e)(2) of the Code, as a corporation described in clause (i); (iii) the United States or any wholly owned agency or instrumentality thereof; (iv) any state of the United States, any U.S. territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organization exempt from taxation under Section 501(a) or an individual retirement plan as defined in Section 7701(a)(37) of the Code; (vi) any bank as defined in Section 581 of the Code; (vii) any real estate investment trust as defined in Section 856 of the Code; (viii) any regulated investment company as defined in Section 851 of the Code or any entity registered with the U.S. Securities Exchange Commission under the United States Investment Company Act of 1940, as amended; (ix) any common trust fund as defined in Section 584(a) of the Code; (x) any trust that is exempt from tax under Section 664(c) of the Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state thereof; or (xii) a broker as defined in Section 6045(c) of the Code.

- (4) “Passive U.S. Controlled Foreign Entity” means any entity that is not a U.S. Taxpayer or Financial Institution, as defined in FACTA, and that has one or more “Controlling U.S. Persons” as owners of equity in such entity. For this purpose, a Controlling U.S. Person means an individual who is a U.S. Taxpayer and who exercises control over an entity. In the case of a trust, such term means the settler, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions.