

**PROSPECTUS DATED 30 SEPTEMBER 2015**

ISSUANCE BY

**TIMBERLAND SECURITIES SPC**

*(incorporated as an exempted limited liability segregated portfolio company under the laws of the Cayman Islands)*

*Acting in respect of its Optimix A Segregated Portfolio*  
of

**Up to EUR500,000,000 Series B2 Optimix A Limited Recourse 2015 Bearer Notes,  
Up to EUR500,000,000 Series R2 Optimix A Limited Recourse 2015 Definitive Registered Notes**

*Acting in respect of its Optimix B Segregated Portfolio*  
of

**Up to EUR500,000,000 Series B2 Optimix B Limited Recourse 2015 Bearer Notes,  
Up to EUR500,000,000 Series R2 Optimix B Limited Recourse 2015 Definitive Registered Notes**

*Acting in respect of its Optimix C Segregated Portfolio*  
of

**Up to EUR500,000,000 Series B2 Optimix C Limited Recourse 2015 Bearer Notes,  
Up to EUR500,000,000 Series R2 Optimix C Limited Recourse 2015 Definitive Registered Notes**

*Acting in respect of its Precious Metals Segregated Portfolio*  
of

**Up to EUR500,000,000 Series B2 Precious Metals Limited Recourse 2015 Bearer Notes,  
Up to EUR500,000,000 Series R2 Precious Metals Limited Recourse 2015 Definitive Registered Notes**

*Acting in respect of its Currency Funds Segregated Portfolio*  
of

**Up to EUR500,000,000 Series B2 Currency Funds Limited Recourse 2015 Bearer Notes,  
Up to EUR500,000,000 Series R2 Currency Funds Limited Recourse 2015 Definitive Registered Notes**

*Acting in respect of its Top-10 Segregated Portfolio*  
of

**Up to EUR500,000,000 Series B2 Top-10 Limited Recourse 2015 Bearer Notes,  
Up to EUR500,000,000 Series R2 Top-10 Limited Recourse 2015 Definitive Registered Notes**

Up to EUR500,000,000 Series B2 Optimix A Limited Recourse 2015 Bearer Notes (the **Optimix A Bearer Notes**), up to EUR500,000,000 Series R2 Optimix A Limited Recourse 2015 Definitive Registered Notes (the **Optimix A Registered Notes** and, together with the Optimix A Bearer Notes, the **Optimix A Notes**), up to EUR500,000,000 Series B2 Optimix B Limited Recourse 2015 Bearer Notes (the **Optimix B Bearer Notes**), up to EUR500,000,000 Series R2 Optimix B Limited Recourse 2015 Definitive Registered Notes (the **Optimix B Registered Notes** and, together with the Optimix B Bearer Notes, the **Optimix B Notes**), up to EUR500,000,000 Series B2 Optimix C Limited Recourse 2015 Bearer Notes (the **Optimix C Bearer Notes**), up to EUR500,000,000 Series R2 Optimix C Limited Recourse 2015 Definitive Registered Notes (the **Optimix C Registered Notes** and, together with the Optimix C Bearer Notes, the **Optimix C Notes**), up to EUR500,000,000 Series B2 Precious Metals Limited Recourse 2015 Bearer Notes (the **Precious Metals Bearer Notes**), up to EUR500,000,000 Series R2 Precious Metals Limited Recourse 2015 Definitive Registered Notes (the **Precious Metals Registered Notes** and, together with the Precious Metals Bearer Notes, the **Precious Metals Notes**), up to EUR500,000,000 Series B2 Currency Funds Limited Recourse 2015 Bearer Notes (the **Currency Funds Bearer Notes**), up to EUR500,000,000 Series R2 Currency Funds Limited Recourse 2015 Definitive Registered Notes (the **Currency Funds Registered Notes** and, together with the Currency Funds Bearer Notes, the **Currency Funds Notes**) and up to EUR500,000,000 Series B2

Top-10 Limited Recourse 2015 Bearer Notes (the **Top-10 Bearer Notes**), up to EUR500,000,000 Series R2 Top-10 Limited Recourse 2015 Definitive Registered Notes (the **Top-10 Registered Notes** and, together with the Top-10 Bearer Notes, the **Top-10 Notes**, and together with the Optimix A Notes, the Optimix B Notes, the Optimix C Notes, the Precious Metals Notes and the Currency Funds Notes, the **Notes**) are issued by Timberland Securities SPC (the **Company**), an exempted limited liability company incorporated and registered as a segregated portfolio company under the laws of the Cayman Islands, having its registered office at the offices of MaplesFS Limited, PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands, subject to the provisions of the Companies Law (2013 Revision) of the Cayman Islands, as amended (the **Companies Law**) and acting for the account of the relevant Portfolio (as defined below) (the **Issuer**). For the avoidance of doubt, in this Prospectus, the Company is referred to as the **Issuer** when acting specifically for the account of the relevant Portfolio.

The Issuer will use the respective proceeds of the Bearer Notes and the Registered Notes (less the amount set aside to be recorded in the Cash Ledger (as defined in the relevant Conditions, as defined below) and any other applicable deductions) to purchase multiple series of limited recourse bonds to be issued by Timberland Investment SA, a public limited liability company (*société anonyme*) incorporated in Luxembourg, having its registered office at 46A, avenue J.F. Kennedy L-1855 Luxembourg, registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under number B 178.756 (**Timberland Investment**) and subject as an unregulated securitisation undertaking to the provisions of the Luxembourg act dated 22 March 2004 on securitisation, as amended (the **Securitisation Act 2004**).

The Issuer's investment of the net issue proceeds of each series of the Notes in the Underlying Securities (as defined below) will be split as set out in the following table:

	Equity Portfolio Limited Recourse Bonds	Bonds Portfolio Limited Recourse Bonds	Precious Metals Portfolio Limited Recourse Bonds	Currency Portfolio Limited Recourse Bonds	Top-10 Portfolio Limited Recourse Bonds
Optimix A Notes	70%*	15%*	15%*	0%*	0%*
Optimix B Notes	60%*	20%*	20%*	0%*	0%*
Optimix C Notes	50%*	25%*	25%*	0%*	0%*
Precious Metals Notes	0%*	0%*	100%*	0%*	0%*
Currency Funds Notes	0%*	10%*	0%*	90%*	0%*
Top-10 Notes	0%*	10%*	0%*	0%*	90%*

\* approximate value

For a description of the Equity Portfolio Limited Recourse Bonds, the Bonds Portfolio Limited Recourse Bonds, the Precious Metals Portfolio Limited Recourse Bonds, the Currency Portfolio Limited Recourse Bonds and the Top-10 Portfolio Limited Recourse Bonds (hereinafter referred to collectively as the **Underlying Securities**) please refer to the sections entitled "*Description of Equity Portfolio Limited*

*Recourse Bonds*”, “*Description of Bonds Portfolio Limited Recourse Bonds*”, “*Description of Precious Metals Portfolio Limited Recourse Bonds*”, “*Description of Currency Portfolio Limited Recourse Bonds*” and “*Description of Top-10 Portfolio Limited Recourse Bonds*” of this Prospectus (as defined below).

The Optimix A Bearer Notes, Optimix B Bearer Notes, Optimix C Bearer Notes, Precious Metals Bearer Notes, the Currency Funds Bearer Notes and the Top-10 Bearer Notes (the **Bearer Notes**) are subject to, and governed by, the terms and conditions fully described in the section entitled “*Conditions of the Bearer Notes*” (the **Bearer Notes Conditions**) and the Optimix A Registered Notes, Optimix B Registered Notes, Optimix C Registered Notes, Precious Metals Registered Notes, the Currency Funds Registered Notes and the Top-10 Registered Notes (the **Registered Notes**) are subject to, and governed by, the terms and conditions fully described in the section entitled “*Conditions of the Registered Notes*” (the **Registered Notes Conditions** and together with the Bearer Notes Conditions, the **Conditions**).

The Notes will bear no interest or coupon. Unless redeemed early or purchased and cancelled in accordance with the relevant Conditions, the Issuer will redeem each Note on the Maturity Date specified in the relevant Conditions by paying the Redemption Amount (as defined in the Conditions) to the relevant holder of such Note.

The Notes are direct, unsecured, limited recourse debt obligations of the Issuer. Pursuant to section 220 of the Companies Law, the assets attributable to the relevant Portfolios shall only be used to meet liabilities due to the creditors in respect such Portfolios and are not available or to be used to meet the claims of creditors of the Company or creditors of another segregated portfolio of the Company.

The Notes will track the performance of, and will be backed by, the Underlying Securities. The holders of the Notes (the **Noteholders**) will only be entitled to payments under the Notes unless, and to the extent that, the Issuer receives the relevant cash proceeds under or in connection with the Underlying Securities.

**By subscribing for, or otherwise acquiring, the Notes, the Noteholders acknowledge and agree, and will be deemed to have acknowledged and agreed, that the financial servicing of the Notes and any payments under the Notes will depend exclusively on payments received by the Issuer under or in connection with the Underlying Securities.**

Each of the Optimix A Notes, Optimix B Notes, Optimix C Notes, Precious Metals Notes, Currency Funds Notes and Top-10 Notes are issued in respect of a separate segregated portfolio called respectively “Optimix A SP”, “Optimix B SP”, “Optimix C SP”, “Precious Metals SP”, “Currency Funds SP” and “Top-10 SP” established by the board of directors of the Company (the **Portfolios** and each a **Portfolio**). Each Portfolio has been established to segregate the assets and liabilities of the Company held within or on behalf of the Portfolio from the assets and liabilities of the Company held within or on behalf of any other segregated portfolio of the Company or the general assets and liabilities of the Company which are not held within or on behalf of a segregated portfolio. The Portfolio Assets (as defined below) are exclusively available to satisfy the rights of the relevant Noteholders, the rights of the relevant Portfolio Noteholders (as defined in the Conditions) and the rights of any other creditors of the Portfolio, as provided for in the Companies law and contemplated by the memorandum and articles of association of the Company (the **Company Articles**). The assets relating to the Notes include any and all (i) Underlying Securities, (ii) cash received by the Issuer in connection with the Underlying Securities and (iii) cash held in the Cash Ledger, all of which are allocated, at any given time, to the relevant Portfolio (collectively, the **Portfolio Assets**). All the Notes to be issued pursuant to this Prospectus will, subject to the Conditions, be entitled to a *pro rata* share of the relevant Portfolio Assets together with any other relevant Portfolio Notes (as defined in the Conditions).

Application has been made to the Liechtenstein Financial Market Authority (the **FMA**) in its capacity as competent authority of the country of origin in line with the Prospectus Directive (as defined below) and as stipulated in article 29 of the Liechtenstein Prospectus Act (“*Wertpapierprospektgesetz*”) (the **Prospectus Act**) to approve this document as a prospectus for the purposes of offering the Notes to the public in any Member State of the European Union (the **EU**) where the publication of a prospectus in accordance with Article 3 of the Prospectus Directive (as defined below) is required.

Application may also be made to the Luxembourg Stock Exchange (the **LuxSE**) for the Bearer Notes to be listed on the official list of the LuxSE (the **Official List**) and to be admitted to trading on the LuxSE's Euro MTF market. The Euro MTF market of the LuxSE is not a regulated market within the meaning of Directive 2004/39/EC on markets in financial instruments.

The Issuer has also requested the FMA in accordance with article 23 of the Prospectus Act to provide the competent authorities in the Republic of Austria, the Republic of Croatia, the Republic of Cyprus, the Czech Republic, the French Republic, the Federal Republic of Germany, Hungary, the Republic of Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Republic of Malta, the Republic of Poland, Romania, the Slovak Republic, the Republic of Slovenia, the Kingdom of Spain and the United Kingdom of Great Britain and Northern Ireland (and together with the Principality of Liechtenstein collectively, the **Public Offer Jurisdictions** and each, a **Public Offer Jurisdiction**) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Act. The publication of the Prospectus will be made at least one Business Day (as defined in the Conditions) prior to the commencement of an offer to the public of the Notes in the relevant Public Offer Jurisdiction.

The FMA assumes no responsibility as to the economic and financial soundness of the Notes or the quality or solvency of the Issuer in accordance with the Prospectus Act.

Any person (an **Investor**) intending to acquire or acquiring any securities from any person (an **Offeror**) should be aware that, in the context of an offer to the public as defined in the Prospectus Directive (as defined below), the Issuer may be responsible to the Investor for the contents of the Prospectus only if the Issuer is acting in association with that Offeror to make the offer to the Investor. Each Investor should therefore verify with the Offeror whether or not the Offeror is acting in association with the Issuer. If the Offeror is not acting in association with the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of article 6 of the Prospectus Directive as implemented by the national legislation of each European Economic Area (**EEA**) Member State in the context of an offer of securities to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents, it should take legal advice.

The Issuer has authorised the making of a public offer of the Notes by the Distribution Agent (as defined below) in the Public Offer Jurisdictions during the Offer Period (as defined below) and the Issuer has not consented to the use of this Prospectus by any other person in connection with any public offer of Notes.

**Information on the terms and conditions of the offer of Notes by the Distribution Agent is to be provided at the time of the offer by the Distribution Agent.**

**The Conditions of the Notes are complex. An investment in the Notes is suitable only for investors who are in a position to evaluate the risks and who have sufficient resources to be able to bear any losses which may result from such investment. Before subscribing to or otherwise acquiring any Notes, prospective investors should specifically ensure that they understand the structure of, and the risk inherent to, the Notes and should specifically consider the risk factors set out in section "Risk Factors" below.** This prospectus (the **Prospectus**) comprises a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**)) and for the purposes of the Prospectus Act and for the purpose of giving information with regard to the Issuer, which, according to the particular nature of the Issuer and the Notes, is necessary to enable an investor to make an informed assessment concerning the Issuer and the Notes.

The Issuer accepts responsibility for the information contained in this Prospectus and, to the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information contained in the sections "*Description of Equity Portfolio Limited Recourse Bonds*", "*Description of Bonds Portfolio Limited Recourse Bonds*", "*Description of Precious Metals Portfolio Limited Recourse Bonds*", "*Description of Currency Portfolio Limited Recourse Bonds*", "*Description of Fund Shares*" and the relevant risk factors have been provided by Timberland Investment. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from such information, no facts have been omitted which would render the reproduced information materially inaccurate or misleading.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see the section "*Documents Incorporated by Reference*" below). This Prospectus should be read and construed on the basis that such documents are incorporated by reference and form part of the Prospectus.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Prospectus or its delivery nor any other information supplied in connection with the offering, sale or delivery of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer that any recipient of this Prospectus or any other information supplied in connection with the offering, sale, or delivery of the Notes should purchase any Notes. Each investor contemplating acquiring any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, Timberland Investment and the entities in which the proceeds of the Underlying Securities will be invested by Timberland Investment. Save for the approval of the Prospectus by the FMA and save as described herein, neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe to, or otherwise acquire, any Notes.

Neither the delivery of the Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same.

**THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE **SECURITIES ACT**) AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE**

OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO U.S. PERSONS. FOR A FURTHER DESCRIPTION OF CERTAIN RESTRICTIONS ON THE OFFERING AND SALE OF THE NOTES AND ON DISTRIBUTION OF THIS DOCUMENT, SEE THE SECTION "*SUBSCRIPTION AND SALE*" BELOW.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale or delivery of Notes may be restricted by law in certain jurisdictions. The Issuer does not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered or sold, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which is intended to permit an offering to the public or sale of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States and the EEA including the Public Offer Jurisdictions (please see the section "*Subscription and Sale*" below).

This Prospectus has been prepared on the basis that any offer of the Notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**), other than offers (the **Permitted Offers to the Public**) which are contemplated in this Prospectus in the Public Offer Jurisdictions once the Prospectus has been approved by the FMA and published and notified to the relevant competent authorities in accordance with the Prospectus Directive as implemented in each of the Public Offer Jurisdictions, will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of the offering contemplated in this Prospectus, other than the Permitted Offers to the Public, may only do so in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to article 3 of the Prospectus Directive or supplement a prospectus pursuant to article 16 of the Prospectus Directive, in each case, in relation to such offer. The Issuer neither has authorised, nor does it authorise, the making of any offer (other than Permitted Offers to the Public) of Notes in circumstances in which an obligation arises for the Issuer to publish or supplement a prospectus for such offer.

Supplements (if any) to this Prospectus will be approved by the FMA and published in accordance with article 17 of the Prospectus Act.

All references in the Prospectus to **euro**, **EUR** and **€** refer to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended. All references in the Prospectus to business day(s), unless specified otherwise, are references to Business Day(s) (as defined below).

Any websites included in the Prospectus are for information purposes only and do not form part of the Prospectus.

References to the Issuer may, where relevant and if the context so requires, be construed as a reference to the Company and *vice versa*.

References to a "Noteholder" may, where relevant and if the context so requires, be construed as a reference to a holder of Optimix A Notes, Optimix B Notes, Optimix C Notes, Precious Metals Notes, Currency Funds Notes or Top-10 Notes.

References to the “Cash Ledger” may, where relevant and if the context so requires, be construed as a reference to the Cash Ledger relating to the Notes under the Portfolios of the Company or the Cash Ledger relating to the Underlying Securities under the Compartments of Timberland Investment.

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## SUMMARY OF THE PROSPECTUS

*Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the summary with the mention of ‘not applicable’.*

### Section A – Introduction and warnings

Element	Title	
A.1	Warnings that the summary should be read as an introduction and provision as to claims	<ul style="list-style-type: none"> <li>• This summary should be read as an introduction to this prospectus (the Prospectus).</li> <li>• Any decision to invest in up to EUR500,000,000 Series B2 Optimix A Limited Recourse 2015 Bearer Notes (the Optimix A Bearer Notes), up to EUR500,000,000 Series R2 Optimix A Limited Recourse 2015 Definitive Registered Notes (the Optimix A Registered Notes and, together with the Optimix A Bearer Notes, the Optimix A Notes), up to EUR500,000,000 Series B2 Optimix B Limited Recourse 2015 Bearer Notes (the Optimix B Bearer Notes), up to EUR500,000,000 Series R2 Optimix B Limited Recourse 2015 Definitive Registered Notes (the Optimix B Registered Notes and, together with the Optimix B Bearer Notes, the Optimix B Notes), up to EUR500,000,000 Series B2 Optimix C Limited Recourse 2015 Bearer Notes (the Optimix C Bearer Notes), up to EUR500,000,000 Series R2 Optimix C Limited Recourse 2015 Definitive Registered Notes (the Optimix C Registered Notes and, together with the Optimix C Bearer Notes, the Optimix C Notes), up to EUR500,000,000 Series B2 Precious Metals Limited Recourse 2015 Bearer Notes (the Precious Metals Bearer Notes), up to EUR500,000,000 Series R2 Precious Metals Limited Recourse 2015 Definitive Registered Notes (the Precious Metals Registered Notes and, together with the Precious Metals Bearer Notes, the Precious Metals Notes), up to EUR500,000,000 Series B2 Currency Funds Limited Recourse 2015 Bearer Notes (the Currency Funds Bearer Notes), up to EUR500,000,000 Series R2 Currency Funds Limited Recourse 2015 Definitive Registered Notes (the Currency Funds Registered Notes and, together with the Currency Funds Bearer Notes, the Currency Funds Notes) and up to EUR500,000,000 Series B2 Top-10 Limited Recourse 2015 Bearer Notes (the Top-10 Bearer Notes), up to EUR500,000,000 Series R2 Top-10 Limited Recourse 2015 Definitive Registered Notes (the Top-10 Registered Notes and, together with the</li> </ul>

Element	Title	
		<p><b>Top-10 Bearer Notes, the Top-10 Notes, and together with the Optimix A Notes, the Optimix B Notes, the Optimix C Notes, the Precious Metals Notes and the Currency Funds Notes, the Notes) should be based on consideration of the Prospectus as a whole by the investor.</b></p> <ul style="list-style-type: none"> <li>• <b>Where a claim relating to information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</b></li> <li>• <b>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</b></li> </ul>
A.2	<b>Consent as to use of the Prospectus, period of validity and other attached conditions</b>	<p>Timberland Invest Ltd. (the <b>Distribution Agent</b>) has been authorised by the Issuer to use the Prospectus for any final placement of the Notes during the Offer Period (as defined below). <b>Information on the terms and conditions of the offer of Notes by the Distribution Agent is to be provided at the time of the offer by the Distribution Agent.</b></p>

### Section B – Issuer

Element	Title	
B.1	Legal and commercial name of the Issuer	<p>Timberland Securities SPC (the <b>Company</b>) acting for the account of separate segregated portfolios called respectively “Optimix A SP”, “Optimix B SP”, “Optimix C SP”, “Precious Metals SP”, “Currency Funds SP” and “Top-10 SP” (created in accordance with section 216 of the Companies Law (as defined below)(the <b>Issuer</b>)</p>
B.2	Domicile/ legal form/ legislation/ country of incorporation	<p>The Company is an exempted limited liability company incorporated and registered as a segregated portfolio company under the laws of the Cayman Islands and domiciled in the Cayman Islands. The registered office of the Company is at the offices of MaplesFS Limited, PO Box 1093, Queensgate House, Grand Cayman KY1-1102, Cayman Islands.</p>
B.16	Controlling shareholders	<p>The Company has an authorised share capital of EUR31,000 divided into 31,000 shares of EUR1 each all of which have been issued. 31,000 of the Company’s shares are held by Stichting Timberland V, a foundation (<i>stichting</i>) incorporated and existing under the laws of the Netherlands.</p>

Element	Title	
<b>B.17</b>	Credit ratings	Not Applicable – It is not intended to assign a credit rating to the Notes or the Issuer.
<b>B.20</b>	Statement as to whether the Issuer has been established for the purpose of issuing asset backed securities	The Issuer is established as a special purpose vehicle for the purpose of issuing asset backed securities.
<b>B.21</b>	Issuer's principal business activities and overview of the parties to the transaction (including direct or indirect ownership)	<p>The business operations of the Company consist in the performance of securitisation transactions.</p> <p>Timberland Investment SA (the <b>Underlying Issuer</b>) will issue multiple series of limited recourse bonds (the <b>Underlying Securities</b>) to be subscribed by the Issuer.</p> <p>Commerzbank AG is the collecting bank appointed by the Issuer (the <b>Collecting Bank</b>) in respect of the Notes. Investors (i) in the Bearer Notes paying the Subscription Price (as defined below) in a currency other than Euro and (ii) in the Registered Notes will pay the Subscription Price to the Collecting Bank (or any of its affiliated subsidiaries or correspondent banks). The Collecting Bank will transfer the subscription amounts to the Account Bank (after their conversion in Euro, if applicable) (as defined below).</p> <p>Alter Domus Fund Services (Malta) Limited is the registrar and transfer agent of the Issuer (the <b>Registrar and Transfer Agent</b>). The Registrar and Transfer Agent will hold the register of Registered Notes and execute any duties in relation therewith.</p> <p>Oaklet GmbH has been appointed by the Issuer as calculation agent in respect of the Notes (the <b>Calculation Agent</b>).</p> <p>Société Générale Bank &amp; Trust S.A. is the paying agent, custodian and account bank of the Issuer (the <b>Paying Agent</b>, the <b>Custodian</b> and the <b>Account Bank</b>).</p> <p>Timberland Securities Investment Ltd. is the arranger of the Issuer (the <b>Arranger</b>).</p> <p>Timberland Invest Ltd. is the distribution agent appointed by the Issuer in respect of the Notes and is in charge of distributing the Notes (the <b>Distribution Agent</b>).</p> <p>Each of the above mentioned parties' relationship with the Issuer is to act in its respective capacity described above.</p> <p>The above mentioned parties are independent from each other and are not directly or indirectly owned or controlled by any of these parties.</p>
<b>B.22</b>	Statement regarding non-commencement of operations and no	Since the date of its incorporation, the Company has not commenced operations and no financial statements have been prepared as to the date of this Prospectus.

Element	Title																																											
	financial statement																																											
<b>B.23</b>	Selected historical key financial information of the Issuer	Not applicable - No financial statements have been prepared as to the date of this Prospectus.																																										
<b>B.24</b>	Description of any material adverse change	Not applicable - No financial statements have been prepared as to the date of this Prospectus.																																										
<b>B.25</b>	Description of the underlying assets	<p>The Issuer believes that the Underlying Securities have characteristics that demonstrate capacity to produce the monies to service any payments due and payable on the Notes.</p> <p>The Issuer will subscribe for the Underlying Securities with the net proceeds derived from the sale of Notes during the offer period which will start on the date of this Prospectus and finish on 29 September 2016 (the <b>Offer Period</b>).</p> <p>The relevant Total Contribution in respect of the Optimix A Notes, the Optimix B Notes, the Optimix C Notes, the Precious Metals Notes, the Currency Funds Notes and the Top-10 Notes will be used for the subscription for the Underlying Securities as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Equity Portfolio Limited Recourse Bonds</th> <th>Bonds Portfolio Limited Recourse Bonds</th> <th>Precious Metals Portfolio Limited Recourse Bonds</th> <th>Currency Portfolio Limited Recourse Bonds</th> <th>Top-10 Portfolio Limited Recourse Bonds</th> </tr> </thead> <tbody> <tr> <td>Optimix A Notes</td> <td>70%*</td> <td>15%*</td> <td>15%*</td> <td>0%*</td> <td>0%*</td> </tr> <tr> <td>Optimix B Notes</td> <td>60%*</td> <td>20%*</td> <td>20%*</td> <td>0%*</td> <td>0%*</td> </tr> <tr> <td>Optimix C Notes</td> <td>50%*</td> <td>25%*</td> <td>25%*</td> <td>0%*</td> <td>0%*</td> </tr> <tr> <td>Precious Metals Notes</td> <td>0%*</td> <td>0%*</td> <td>100%*</td> <td>0%*</td> <td>0%*</td> </tr> <tr> <td>Currency Funds Notes</td> <td>0%*</td> <td>10%*</td> <td>0%*</td> <td>90%*</td> <td>0%*</td> </tr> <tr> <td>Top-10 Notes</td> <td>0%*</td> <td>10%*</td> <td>0%*</td> <td>0%*</td> <td>90%*</td> </tr> </tbody> </table> <p>* approximate value</p>		Equity Portfolio Limited Recourse Bonds	Bonds Portfolio Limited Recourse Bonds	Precious Metals Portfolio Limited Recourse Bonds	Currency Portfolio Limited Recourse Bonds	Top-10 Portfolio Limited Recourse Bonds	Optimix A Notes	70%*	15%*	15%*	0%*	0%*	Optimix B Notes	60%*	20%*	20%*	0%*	0%*	Optimix C Notes	50%*	25%*	25%*	0%*	0%*	Precious Metals Notes	0%*	0%*	100%*	0%*	0%*	Currency Funds Notes	0%*	10%*	0%*	90%*	0%*	Top-10 Notes	0%*	10%*	0%*	0%*	90%*
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Element	Title	
		<p>The Underlying Issuer invests the net issue proceeds of the <b>Equity Portfolio Limited Recourse Bonds</b> into a selection of thirty-four series of fund shares.</p> <p>The Underlying Issuer invests the net issue proceeds of the <b>Bonds Portfolio Limited Recourse Bonds</b> into a selection of the following types of bonds: (i) German covered bonds, (ii) Luxembourg covered bonds and (iii) bonds issued by companies whose shares are included in the composition of any of following indices: the Dax (<i>Deutscher Aktien Index</i>), the CAC 40 (<i>Cotation Assistée en Continu</i>), the FTSE 100 Index (<i>Financial Times Stock Exchange 100</i>), the DJIA (<i>Dow Jones Industrial Average</i>), the S&amp;P/TSX Composite Index, the AEX (<i>Amsterdam Exchange Index</i>) and the Euro Stoxx 50 Index.</p> <p>The Underlying Issuer invests the net issue proceeds of the <b>Precious Metals Portfolio Limited Recourse Bonds</b> into one or more of the following types of precious metals: (i) gold, (ii) silver, (iii) platinum and (iv) palladium.</p> <p>The Underlying Issuer invests the net issue proceeds of the <b>Currency Portfolio Limited Recourse Bonds</b> into a selection of up to eight eligible fund shares which are not denominated in Euro.</p> <p>The Underlying Issuer invests the net issue proceeds of the <b>Top-10 Portfolio Limited Recourse Bonds</b> into a selection of ten series of fund shares.</p> <p>The Underlying Securities will be issued under separate compartments of the Underlying Issuer, in registered form and in a denomination of EURO.01 each and are direct, unconditional and unsecured obligations of the Underlying Issuer, which will at all times rank <i>pari passu</i> among themselves.</p> <p>The obligations of the Underlying Issuer under the Underlying Securities are unsecured. Hence, there is no level of collateralisation as regards the obligations of the Underlying Issuer under the Underlying Securities. The concept of loan to value ratio is not applicable with respect to the repacking of the Underlying Securities.</p> <p>The Issuer believes that the underlying assets backing the issue of the Underlying Securities have characteristics that demonstrate capacity to produce the monies to service any payments due and payable on the Underlying Securities.</p>
<b>B.26</b>	Actively managed pool of assets backing the issue	Not applicable, there is no actively managed pool of assets backing the issue.
<b>B.27</b>	Statement regarding fungible issues	The Issuer may from time to time, without the consent of the holders of the Notes (the <b>Noteholders</b> ), create and issue further Notes which are backed by the Underlying (as defined below).

Element	Title	
<b>B.28</b>	Description of the structure of the transaction	<p>The Issuer will use the net issue proceeds from the sale of the Notes during the Offer Period to subscribe for the Underlying Securities on or about the issue date of the Notes. While subscribing to, or otherwise acquiring, the Notes, the Noteholders will gain an exposure to the performance (positive or negative) of the Underlying Securities.</p> <p>Under the Underlying Securities, the Issuer is not entitled to regular payments. However, the Issuer can request the redemption of the Underlying Securities at any time.</p> <p>Please see Element C.9 below for further information on the structure of the transaction.</p>
<b>B.29</b>	Description of cash flows and information on swap counterparties	<p>Please see Element B.28 above for information on cash flows.</p> <p>There will be no swap counterparties.</p>
<b>B.30</b>	Name and description of the originators of the securitised assets	<p>Please see Elements B.21 and B.25. The underlying assets will be the Underlying Securities issued by Timberland Investment SA.</p> <p>Timberland Investment SA has been established under Luxembourg law as a special purpose vehicle for the purpose of issuing asset backed securities.</p>

### Section C – Securities

Element	Title															
<b>C.1</b>	Description of Notes/ISIN	<p>The securities described in this section are Notes backed by the Underlying Securities.</p> <table border="1"> <thead> <tr> <th></th> <th>ISIN</th> </tr> </thead> <tbody> <tr> <td>Optimix A Bearer Notes</td> <td>XS1280930873</td> </tr> <tr> <td>Optimix B Bearer Notes</td> <td>XS1280931095</td> </tr> <tr> <td>Optimix C Bearer Notes</td> <td>XS1280934354</td> </tr> <tr> <td>Precious Metals Bearer Notes</td> <td>XS1280939585</td> </tr> <tr> <td>Currency Funds Bearer Notes</td> <td>XS1280944072</td> </tr> <tr> <td>Top-10 Bearer Notes</td> <td>XS1280944825</td> </tr> </tbody> </table> <p>No ISIN will be allocated to the Registered Notes. The Registered Notes will not be listed or admitted to trading on any stock exchange.</p> <p>The Notes are governed by, and shall be construed in accordance</p>		ISIN	Optimix A Bearer Notes	XS1280930873	Optimix B Bearer Notes	XS1280931095	Optimix C Bearer Notes	XS1280934354	Precious Metals Bearer Notes	XS1280939585	Currency Funds Bearer Notes	XS1280944072	Top-10 Bearer Notes	XS1280944825
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Top-10 Bearer Notes	XS1280944825															

Element	Title	
		with, Luxembourg law.
C.2	Currency	The currency of the Notes is Euro.
C.5	Restrictions on transferability	There are no restrictions on the free transferability of the Bearer Notes. No transfer of a Registered Note may be registered (i) after an event of default notice has been issued pursuant to the terms and conditions of the Registered Notes or (ii) during the period of fifteen (15) days ending on the due date for any payment in respect of that Registered Note.
C.8	Rights attached to the Notes, including ranking and limitations on those rights	<p><b>Rights:</b> Unless previously redeemed or purchased and cancelled, the Noteholders are entitled to the Redemption Amount on the Maturity Date (all relevant terms as define below). Any Noteholder may, prior to the Maturity Date, request the early redemption of all or part of its outstanding Notes on 15 November of each calendar year, starting on 15 November 2023.</p> <p><b>Ranking:</b> The Notes constitute direct, unsecured and limited recourse, pass-through, debt obligations of the Issuer and rank <i>pari passu</i> and rateably, without any preference among themselves, with all other existing direct, unsecured, limited recourse indebtedness of the Issuer, which has been or will be allocated to the relevant Portfolio but, in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), only to the extent permitted by applicable laws relating to creditors' rights generally.</p> <p>Pursuant to section 220 of the Companies Law (2013 Revision) of the Cayman Islands, as amended (the <b>Companies Law</b>), the assets attributable to the relevant Portfolio shall only be used to meet liabilities due to the creditors in respect of such Portfolio and are not available or to be used to meet the claims of creditors of the Company or creditors of another segregated portfolio of the Company.</p> <p><b>Limitations:</b> By subscribing for the Notes, or otherwise acquiring the Notes, the Noteholders expressly acknowledge and accept, and will be deemed to have accepted and acknowledged, that the Issuer (i) is subject to the Companies Law and (ii) has created the Portfolios in respect of the Notes to which all assets, rights, claims and agreements relating to the Notes will be allocated. Furthermore, the Noteholders acknowledge and accept that they have recourse only to the assets of the relevant Portfolio and not to the assets allocated to any other segregated portfolios created by the Company or the general assets of the Company. The Noteholders acknowledge and accept that once all the assets allocated to the relevant Portfolio have been realised, they are not entitled to take any further steps against the Issuer to recover any further sums due and the right to receive any such sum shall be extinguished. The Noteholders accept not to attach or otherwise seize the assets of the Issuer allocated to the relevant Portfolio or to other segregated portfolios of the Issuer or the general assets of the Company. In particular, Noteholders shall not be entitled to (i)</p>



Element	Title	
		<p>institute against the Company or any segregated portfolio of the Company, including the Portfolios, or join or assist any other person in instituting against the Company or any segregated portfolio of the Company, including the Portfolios, any winding-up, liquidation, bankruptcy, arrangement or insolvency proceedings under any Cayman Islands law, Luxembourg law or similar law of any jurisdiction, or (ii) apply for a receivership order under section 224 of the Companies Law in respect of the Portfolios or any other segregated portfolio of the Company.</p>
C.9	Interest/Redemption	<p><b><i>Interest</i></b></p> <p>No interest is payable on the Notes.</p> <p><b><i>Redemption (all relevant terms as defined below)</i></b></p> <p><b><i>Final Redemption</i></b></p> <p>Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes on the Maturity Date by paying the Redemption Amount to the Noteholders.</p> <p><b><i>Early redemption</i></b></p> <p>(a) Redemption at the option of the Issuer</p> <p>In certain circumstances, the Issuer may at its option issue a notice to the Noteholders by which it informs the Noteholders about the early redemption of the Notes (in whole but not in part). The Issuer shall redeem the Notes by paying the Redemption Amount to the Noteholders.</p> <p>(b) Redemption at the option of the Noteholders</p> <p>Without prejudice to their right of early redemption in connection with an event of default of the Issuer, any Noteholder may, prior to the Maturity Date, request the early redemption of all or part of its outstanding Notes on 15 November of each calendar year, starting on 15 November 2023. The Issuer will redeem each of the relevant Notes by paying the Optional Redemption Amount to the relevant Noteholders.</p> <p><b>Adjusted Nominal Value</b> means, in respect of each Note, the amount calculated daily by the Calculation Agent by reference, among other things, to the net asset value of the Underlying and published on each Business Day by the Calculation Agent on the Issuer’s website (<a href="http://www.timberland-securities.com">www.timberland-securities.com</a>), provided that in the case of the very first Notes subscribed for or purchased by (as the case may be) an external investor the Adjusted Nominal Value shall be equal to the Initial Nominal Value.</p> <p><b>Arranger</b> means Timberland Securities Investment Ltd.</p> <p><b>Arranger Fee</b> means, in respect of each Note, a fee of five (5)</p>

Element	Title	
		<p><i>per cent.</i> of the Adjusted Nominal Value as of the Subscription Date payable by the Issuer to the Arranger for its role in arranging the issuance of Notes.</p> <p><b>Arranger Pre-funded Amounts</b> means all amounts, fees and costs relating to, among other things, the structure set-up, the creation, operation or liquidation of the Portfolio and the issue or the redemption of the Portfolio Notes that have been prefunded by the Arranger from time to time and have to be repaid by the Issuer to the Arranger, such amounts, fees and costs to be amortised before the Maturity Date.</p> <p><b>Business Day</b> means a day (other than a Saturday and a Sunday) on which credit institutions are open for general business in Luxembourg, and which is also a TARGET2 Day.</p> <p><b>Cash Ledger</b> means one or more separate accounts created for the Portfolio to be used for the payment of Costs.</p> <p><b>Costs</b> means, in respect of a Portfolio, any unpaid costs and expenses incurred by the Issuer in relation to the Portfolio and the Portfolio Notes, including the following, payable in accordance with the following order of priority (subject to any lien or right of set-off granted by the Issuer from time to time in connection with the Portfolio Notes):</p> <p>(a) first, all direct and indirect taxes, costs, disbursements and duties incurred by the Issuer in connection with the issue of the Portfolio Notes, the acquisition of the Underlying Securities, the enforcement of the Underlying Securities, the redemption of the Portfolio Notes and the management, sale, transfer or liquidation of the Underlying Securities;</p> <p>(b) secondly, the annual fees incurred by the Issuer for the audit of the Portfolio;</p> <p>(c) thirdly, all fees, duties and costs payable by the Issuer in connection with the creation, administration, operation and liquidation of the Portfolio (including, but not limited to, any accounting fees incurred by the Issuer in respect of the Portfolio (other than the audit fees referred to in (b) above) and the issue of the Portfolio Notes, the costs and expenses incurred by the Issuer in relation to the organisation of general meetings of the Portfolio Noteholders or meetings of holders of individual series of Portfolio Notes only (as the case may be) or the obtaining of the consent of holders of one or more series of the Portfolio Notes and the costs and expenses incurred by the Issuer in connection with board meetings held in respect of the Portfolio);</p> <p>(d) fourthly, all amounts, fees and costs payable to any other party whose claims have arisen in connection with the Portfolio (other than the Portfolio Noteholders and other than the parties to whom various payments referred to in (a) to (c) (inclusive) above are due) (ranking <i>pari passu</i> and <i>pro rata</i> among them);</p>

Element	Title	
		<p>(e) fifthly, the Servicing Fee;</p> <p>(f) sixthly, the Arranger Pre-funded Amounts; and</p> <p>(g) seventhly, such share of the Pro Rata Costs allocated and/or to be allocated to the Portfolio.</p> <p><b>Initial Nominal Value</b> means EUR1.00.</p> <p><b>Internal Commission</b> means, in respect of each Note, an amount of internal costs payable by the Issuer to the Distribution Agent relating to the distribution of the Notes and equal to ten (10) <i>per cent.</i> of the Adjusted Nominal Value as of the Subscription Date, which will be amortised over the period starting on 27 August 2016 and ending on, and including the date on which the Lock-Up Period expires.</p> <p><b>Issue Date</b> means 27 August 2015.</p> <p><b>Issuer Account</b> means the account of the Issuer held with Société Générale Bank &amp; Trust S.A.</p> <p><b>Lock-Up Period</b> means the period starting on 27 August 2015 and ending on, and including, 31 December 2022.</p> <p><b>Maturity Date</b> means the earlier of (i) the next Business Day after the full redemption of all assets forming part of the Relevant Underlying Securities or (ii) 27 August 2040.</p> <p><b>Nominal Value</b> means the principal amount of a Note outstanding at any given time which, as of 27 August 2015, shall be equal to the Initial Nominal Value.</p> <p><b>Note Contribution</b> means, in respect of each Note:</p> <p style="padding-left: 40px;">(A) the Subscription Price</p> <p style="padding-left: 40px;">minus</p> <p style="padding-left: 40px;">(B) the sum of (i) the Upfront Fee, (ii) the Internal Commission, (iii) the amount equal to two (2) <i>per cent.</i> of the Adjusted Nominal Value as of the Subscription Date which will be allocated to the Cash Ledger and (iv) the Arranger Fee.</p> <p><b>Operational General Costs</b> means any operational costs (such as, audit costs, notarial fees and costs, corporate services costs, registration costs, publication costs, costs relating to the convening and holding of general meetings or any other costs payable by the Company in connection with its business) as well as direct and indirect taxes and duties that have been or will be incurred by the Company and that cannot be allocated to a specific segregated portfolio of the Company. The Company is entitled to create a budget for Operational General Costs that the</p>

Element	Title	
		<p>Company is likely to incur in the future and for which the amount can be determined or approximated upfront (the <b>Budget</b>). The Company can divide such Budget into monthly instalments (the <b>Instalments</b>) and take account of such Instalments in the determination of Operational General Costs.</p> <p><b>Optional Redemption Amount</b> means (A) divided by (B), where (A) is the Total Optional Redemption Amount minus the Optional Redemption Relevant Costs and (B) is the aggregate number of all the outstanding Notes of the relevant series that are to be redeemed.</p> <p><b>Optional Redemption Ratio</b> means (A) the aggregate number of Notes of the relevant series that are to be redeemed divided by (B) the aggregate number of all the outstanding Notes of that series.</p> <p><b>Optional Redemption Relevant Costs</b> means the share of the Relevant Costs attributed to the Notes of the relevant series that are to be redeemed, which is calculated by multiplying (A) the Relevant Costs by (B) the Optional Redemption Ratio.</p> <p><b>Partial Redemption Amount</b> means (A) divided by (B), where (A) is the Total Partial Redemption Amount minus the Relevant Costs and (B) is the aggregate number of all the outstanding Notes of the relevant series.</p> <p><b>Portfolio Noteholders</b> means the holders of the Portfolio Notes collectively.</p> <p><b>Portfolio Notes</b> means any and all outstanding notes of all series issued by the Issuer under the relevant Portfolio collectively.</p> <p><b>Pro Rata Costs</b> means the Operational General Costs which will be allocated by the Company, on a half year basis in arrears, to all the segregated portfolios of the Company, on a <i>pro rata</i> basis depending on the size of the relevant segregated portfolio and the complexity of the transactions carried under such segregated portfolio (such breakdown to be determined by the Company in its sole discretion) and <i>pro rata temporis</i> for segregated portfolios created within such half year, provided that the relevant issue documentation does not exclude that Operational General Costs may be borne by a specific segregated portfolio of the Company.</p> <p><b>Ratio</b> means (A) the Total Note Contribution divided by (B) the Total Contribution.</p> <p><b>Redemption Amount</b> means (A) divided by (B), where (A) is the Total Redemption Amount minus the Relevant Costs and (B) is the aggregate number of the outstanding Notes of the relevant series.</p> <p><b>Redemption Amount Date</b> means the date on which the Issuer receives the Total Redemption Amount, the Total Optional</p>

Element	Title	
		<p>Redemption Amount or the Total Partial Redemption Amount (as applicable).</p> <p><b>Relevant Costs</b> means the share of the Total Costs attributable to the outstanding Notes of the relevant series, which is calculated by multiplying (A) the Total Costs by (B) the Ratio.</p> <p><b>Relevant Underlying</b> means the share of the Underlying attributed to the outstanding Notes of the relevant series, which is calculated by multiplying (A) the aggregate value of the Underlying by (B) the Ratio.</p> <p><b>Relevant Underlying Securities</b> means the share of the Underlying Securities attributed to the outstanding Notes of the relevant series, which is calculated by multiplying (A) the aggregate value of the Underlying Securities by (B) the Ratio.</p> <p><b>Servicing Fee</b> means the amount payable by the Issuer to the Distribution Agent equal to 0.075 (seventy-five thousandth) <i>per cent.</i> per month of the net value of the Underlying calculated by the Calculation Agent using the fair value principle (that is historical costs less durable impairments) or the International Financial Reporting Standards (IFRS) as the applicable accounting principles.</p> <p><b>Subscription Date</b> means the later of (i) the Business Day on which the Issuer receives the completed subscription form from the relevant investor and any documents necessary under applicable laws and (ii) the Business Day on which the Issuer receives the Subscription Price in Euro (after conversion, if applicable) on the Issuer Account.</p> <p><b>Subscription Price</b> means, in respect of each Note, the sum of (A) the Adjusted Nominal Value as of the day prior to the Subscription Date (such day not being earlier than the Issue Date) and (B) the Upfront Fee. The Subscription Price in respect of the Notes is published on each Business Day on the Issuer's website (<a href="http://www.timberland-securities.com">www.timberland-securities.com</a>).</p> <p><b>TARGET2 Day</b> means any day on which the TARGET2 System is open.</p> <p><b>TARGET2 System</b> means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.</p> <p><b>Total Contribution</b> means the aggregate amount contributed by all Portfolio Notes applied by the Issuer towards the purchase of the Underlying Securities.</p> <p><b>Total Costs</b> means, in respect of the relevant Portfolio, the sum of (i) the Costs outstanding on the Redemption Amount Date and (ii) the Costs, if any, which will become payable after the Redemption Amount Date but which have been incurred by the Issuer in the period during which the Notes of the relevant series</p>

Element	Title	
		<p>that are to be redeemed were outstanding.</p> <p><b>Total Note Contribution</b> means the aggregate amount of the Note Contributions of all the outstanding Notes of the relevant series.</p> <p><b>Total Optional Redemption Amount</b> means an amount equal to, without double counting, the amount received by the Issuer in connection with (i) the redemption of the Relevant Underlying Securities or the relevant portion thereof in the case of redemption of part only of the outstanding Notes of the relevant series and/or (ii) the disposal by the Issuer of such Relevant Underlying Securities and/or (iii) the enforcement of such Relevant Underlying Securities or any security interest obtained in connection therewith plus the corresponding portion of the Relevant Underlying already held in the form of cash (if any).</p> <p><b>Total Partial Redemption Amount</b> means an amount equal to, without double counting, the amount received by the Issuer in connection with (i) the redemption of the relevant portion of the Relevant Underlying Securities and/or (ii) the disposal by the Issuer of such Relevant Underlying Securities and/or (iii) the enforcement of such Relevant Underlying Securities or any security interest obtained in connection therewith plus the corresponding portion of the Relevant Underlying already held in the form of cash (if any).</p> <p><b>Total Redemption Amount</b> means an amount equal to, without double counting, the amount received by the Issuer in connection with (i) the full redemption of the Relevant Underlying Securities and/or (ii) the disposal by the Issuer of such Relevant Underlying Securities and/or (iii) the enforcement of such Relevant Underlying Securities or any security interest obtained in connection therewith plus the entire amount of the Relevant Underlying already held in the form of cash (if any).</p> <p><b>Underlying</b> means, in respect of the relevant Portfolio, (i) the Underlying Securities; (ii) any cash received in connection with the redemption of the Underlying Securities; (iii) cash held in the Cash Ledger; and (iv) any cash held in the Issuer Account, in each case allocated, at any given time, to the Portfolio.</p> <p><b>Underlying Securities</b> means, in respect of the relevant Portfolio, all outstanding Equity Portfolio Limited Recourse Bonds, Bonds Portfolio Limited Recourse Bonds, Precious Metals Portfolio Limited Recourse Bonds and Currency Portfolio Limited Recourse Bonds, in each case issued by Timberland Investment SA, subscribed by the Issuer in accordance with the Weighting, using the Total Contribution.</p> <p><b>Upfront Fee</b> means, in respect of each Note, a one-off fee of up to 5 <i>per cent.</i> of the Adjusted Nominal Value as of the Subscription Date, as agreed with each investor individually and payable to the Issuer on the Subscription Date. The Issuer pays</p>

Element	Title	
		<p>the Upfront Fee to the Distribution Agent in consideration for its services as Distribution Agent.</p> <p><b>Weighting</b> means the application of the relevant Total Contribution for the subscription of the Underlying Securities in the manner set out under Element B.25.</p> <p><i>Representative of Noteholders</i></p> <p>Not applicable – No representative of the Noteholders has been appointed by the Issuer.</p>
<b>C.10</b>	Derivative component in the interest payments	<p>Not applicable – There is no interest payment.</p> <p>Please also refer to Element C.9.</p>
<b>C.11</b>	An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question.	<p>The Registered Notes will not be admitted to trading and/or listed on any regulated market or equivalent stock exchange.</p>

**C.12** Minimum denomination of an issue      The Notes issued on 27 August 2015 have a denomination of EUR1.00 each.

#### Section D – Risks

Element	Title	
<b>D.2</b>	Key risks regarding the Issuer	<p>The Company is a special purpose vehicle.</p> <p>The Company is an exempted limited liability company established under the laws of the Cayman Islands and registered as a segregated portfolio company under Part XIV of the Companies Law and may, unless otherwise provided for in its constitutive documents, issue financial instruments whose value or yield is linked to specific compartments, assets or risks, or whose repayment is subject to the repayment of other instruments, certain claims or certain categories of shares.</p> <p>With respect to the Notes, the board of directors of the Company has established the Portfolios and the claims of the Noteholders under the Notes against the Issuer in respect of a Portfolio will be limited to the net assets allocated to such Portfolio.</p> <p>It cannot be ruled out that there may be other creditors that have access to assets allocated to a Portfolio.</p>

Element	Title	
		<p>Noteholders will not be able (i) to petition for the winding up, the liquidation or the bankruptcy of the Company, (ii) apply for a receivership order under section 224 of the Companies Law in respect of the Portfolios or any other segregated portfolio of the Company in the event of any shortfall under the Notes or (iii) to take any similar proceedings.</p> <p>The Issuer has not created any security interest over the Underlying Securities to secure its obligations in respect of the Notes or any other liabilities.</p> <p>The Issuer is party to contracts with a number of third parties, who have agreed to perform a number of services in relation to the Notes, the failure of which may adversely affect the Noteholders.</p> <p>There are potential conflicts of interests in relation to the investment policies applicable to the various segregated portfolios of the Company and the agents performing obligations in connection with the Notes.</p>
<b>D.3</b>	Key risks regarding the Notes	<p>The obligations of the Issuer under the Notes are limited recourse obligations. Any payment to be made by the Issuer under the Notes will depend exclusively on payments received by the Issuer under the Underlying Securities.</p> <p>The Notes may not be a suitable investment for all investors.</p> <p>The Notes have features which may contain particular risks for potential investors, in particular they (i) may, under certain circumstances, be redeemed early by the Issuer, (ii) do not pay any interest and (iii) provide for payments of certain fees and expenses before any payments to the Noteholders.</p> <p>The amounts which Noteholders should receive in respect of the Notes may be affected in the event that the Issuer substitutes another company for itself as issuer of the Notes under the conditions of the Notes.</p> <p>Certain matters affecting the interests of Noteholders generally are subject to votes by general meetings which permit defined majorities of Noteholders to pass resolutions that bind all Noteholders.</p> <p>Payments under the Notes are subject to Council Directive 2003/48/EC and the tax legislations of other Member States of the European Union.</p> <p>The rights and obligations of the Noteholders may adversely be affected by any change of law applicable to the Notes.</p> <p>Noteholders have no direct right to enforce the Underlying Securities.</p>



Element	Title	
		<p>Potential investors should consider options for hedging the risk relating to an investment in the Notes.</p> <p>There are risks arising in relation with the financing of an investment in the Notes by way of a loan.</p> <p>Prospective investors should note that an investment in the Notes is a long-term investment with no certainty of return. A Noteholder may only receive any payment from the Issuer at the Maturity Date or the date of any early redemption of the Notes, which will/may occur after a considerable period of time from the date of acquiring the Notes. No interim payments will be made during the term of the Notes.</p> <p>Noteholders will not receive any periodic interest payments on the Notes or any interest payment at maturity. The payment at maturity will depend only on the performance of the Underlying Securities.</p> <p>The Notes are unsecured. However, pursuant to section 220 of the Companies Law, the assets attributable to a Portfolio shall only be used to meet liabilities due to the creditors in respect of the relevant Portfolio and are not available or to be used to meet the claims of creditors of the Company or creditors of another segregated portfolio of the Company.</p> <p>The right of the Noteholders to participate in the assets of the Issuer are limited to the assets of the respective Portfolio.</p> <p>The Issuer will be responsible for determining, in a commercially reasonable manner, the events that would trigger an early redemption pursuant to the conditions of the Notes. If the Notes are redeemed early, the amounts payable to Noteholders may be less than their original investment and may in certain circumstances be zero.</p>

### Section E – Offer

Element	Title	
<b>E.2b</b>	Reasons for the offer and use of proceeds	The cash allocated to the Portfolios will be used by the Issuer to subscribe for the Underlying Securities to be allocated to the respective Portfolio.
<b>E.3</b>	Terms and conditions of the offer	<p>(a) Offer Period</p> <p>The Offer Period will start on 30 September 2015 and finish on 29 September 2016.</p> <p>The Issuer reserves the right for any reason to close the Offer Period early. The Issuer will also regularly inform the Noteholders during the Offer Period by publishing the relevant information on</p>

Element	Title	
		<p>the website of the Issuer on <a href="http://www.timberland-securities.com">www.timberland-securities.com</a>.</p> <p>(b) Price during the Offer Period:</p> <p>During the Offer Period, the Issuer will offer and sell the Notes at the Subscription Price. The Subscription Price in respect of the Notes will be published on each Business Day on the Issuer's website (<a href="http://www.timberland-securities.com">www.timberland-securities.com</a>).</p> <p>(c) Conditions of the offer:</p> <p>The Issuer reserves the right to withdraw the offer of the Notes for any reason at any time prior to the end of the Offer Period.</p> <p>(d) The time period during which the offer of the Notes will be open and description of the application process:</p> <p>The offer of the Notes will be open during the Offer Period. Applications for the purchase of Notes can be made to the Issuer with a copy to the Distribution Agent at its address at Aragon House, St. George's Park, St. Julian's STJ 3140, Malta.</p> <p>(e) Details of the minimum and/or maximum amount of application:</p> <p>There is no minimum allocation of Notes per investor. The maximum allocation of Notes will be subject only to availability at the time of the application.</p> <p>(f) Details of the method for paying up and delivering the Notes:</p> <p>The Notes will be sold against payment of the Subscription Price to the Issuer or to any agent designated by the Issuer for the purpose of receiving payments in any other currencies than Euro. Each investor will be notified of the settlement arrangements in respect of the Notes at the time of such investor's application.</p> <p>(g) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:</p> <p>Not applicable.</p> <p>(h) Manner and date in which results of the offer are to be made public:</p> <p>The offer volume is up to 6,000,000,000 Notes with an initial nominal value of EUR1.00 each in respect of the Notes issued on 27 August 2015.</p> <p>(i) Description of the offer of the Notes:</p> <p>Offers may be made in the Republic of Austria, the Republic of Croatia, the Republic of Cyprus, the Czech Republic, the French Republic, the Federal Republic of Germany, Hungary, the</p>

Element	Title	
		<p>Republic of Ireland, the Italian Republic, the Principality of Liechtenstein, the Grand Duchy of Luxembourg, the Principality of Liechtenstein, the Republic of Malta, the Republic of Poland, Romania, the Slovak Republic, the Republic of Slovenia, the Kingdom of Spain and the United Kingdom of Great Britain and Northern Ireland (collectively, the <b>Public Offer Jurisdictions</b>) to any person during the Offer Period. In other EEA countries offers during the Offer Period may only be made pursuant to an exemption from the obligation under the Directive 2003/71/EC, as implemented in such countries, to publish a prospectus. In all jurisdictions (including the Public Offer Jurisdictions) outside of the Offer Period, offers will only be made pursuant to an exemption from the obligation under the Directive 2003/71/EC, as implemented in such countries, to publish a prospectus.</p> <p>The Offers to be made in each Public Offer Jurisdiction will be made exclusively by the Distribution Agent and the agents appointed by the Distribution Agent for this purpose. Such Offers will be made through different communication channels including public announcements, advertisements, mailing of quarterly reports or newsletters to existing or future investors, marketing activities in connection with coordinated advertising brochures and other printed matter.</p>
<b>E.4</b>	Interest of natural and legal persons involved in the issue/offer	Other than as mentioned in the relevant Elements above and so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.
<b>E.7</b>	Expenses charged to the investor by the Issuer or an offeror	No expenses will be charged to investors by the Issuer or an offeror on top of the Subscription Price.

## **RISK FACTORS**

**Prospective investors in the Issuer and the Notes should ensure that they fully understand the nature of the Notes, as well as the extent of their exposure to risks associated with an investment in the Notes. They should consider the suitability of an investment in the Notes in light of their own particular financial, fiscal and other circumstances. In particular, prospective investors should be aware that the Notes and the Underlying Securities may decline in value and should be prepared to sustain a substantial or total loss of their investment in the Notes and ensure that their acquisition is fully consistent with their financial needs and investment policies, is lawful under the laws of the jurisdiction of their incorporation and/or in which they operate, and is a suitable investment for them to make.**

**The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.**

**In addition, factors which are material for the purpose of assessing the market risks associated with the Notes and the Underlying Securities are described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes and the Underlying Securities, but the inability of the Issuer to pay principal or other amounts under or in connection with the Notes may occur for other reasons, which may not be or may not have been considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.**

### **1. RISK FACTORS RELATING TO THE ISSUER**

#### **1.1 The Company is a special purpose vehicle**

The Company's sole business is the raising of money by issuing securities for the purposes of acquiring assets or risks relating to assets generally.

#### **1.2 The Companies Law (2013 Revision) and segregated portfolios generally**

- (a) The Company is an exempted limited liability company established under the laws of the Cayman Islands and registered as a segregated portfolio company under Part XIV of the Companies Law. The board of directors of the Company (the **Board**) may establish one or more segregated portfolios in accordance with the terms of section 216 of the Companies Law. The Company is permitted by its constitutive documents to operate as a securitisation vehicle and to issue financial instruments whose value or yield is linked to specific segregated portfolios, assets or risks, or whose repayment is subject to the repayment of other instruments, certain claims or certain categories of shares.
- (b) By subscribing to, or otherwise acquiring, the Notes, the Noteholders will, and shall be deemed to, fully adhere to, and be bound by, the terms of conditions of the Notes and the Company Articles. The text of the Company Articles in force as of the date of this Prospectus has been filed with the Registrar of Companies in the Cayman Islands and is available for inspection at the registered office of the Company. Any amendments to or revisions of the Company Articles will be filed with the Registrar of Companies in the Cayman Islands and will be available for inspection.

#### **1.3 Portfolios relating to the Notes**

- (a) With respect to the Optimix A Notes, Optimix B Notes, Optimix C Notes, Precious Metals Notes, Currency Funds Notes and Top-10 Notes, the Board has established separate

segregated portfolios called “Optimix A SP”, “Optimix B SP”, “Optimix C SP”, “Precious Metals SP”, “Currency Funds SP” and “Top-10 SP” (the **Portfolios** and each a **Portfolio**). Pursuant to the Companies Law, claims against the Issuer by the relevant Noteholders and of the other Portfolio Parties (as defined below) will be limited to the net assets of the relevant Portfolio. If the Portfolio is liquidated, its assets shall be applied in accordance with the respective Conditions and the terms and conditions of any other relevant Portfolio Notes (as defined in the Conditions).

- (b) The Board shall establish and maintain separate accounting records for each Portfolio in order to ascertain the rights of Noteholders and of the other Portfolio Parties in respect of such Portfolio for the purposes of the Company Articles, the respective Conditions and the terms and conditions of any other relevant Portfolio Notes, such accounting records being conclusive evidence of such rights in the absence of proven manifest error.
- (c) The assets of each Portfolio (the **Portfolio Assets**) shall include, without limitation, the following rights and assets of the Issuer:
  - (i) the proceeds of the issue of the corresponding Portfolio Notes, to the extent not applied in making payment under the agreements entered into by the Issuer in connection with the issue of such Portfolio Notes and the acquisition of the relevant Underlying Securities (the **Transaction Documents** and each a **Transaction Document**);
  - (ii) the relevant Underlying (as defined in the Conditions); and
  - (iii) the rights, title and interest of the Issuer in, to and under each of the Transaction Documents.
- (d) Any payments in respect of the Notes will be made by the Issuer to the Noteholders after the Issuer has settled all unpaid Costs (as defined in the Conditions). The Issuer has created one or more separate accounts for each Portfolio to be used for the payment of Costs (the **Cash Ledger**). A certain percentage of the proceeds of the Notes will be allocated to the respective Cash Ledger. To the extent that cash is available in the Cash Ledger, all Costs shall be paid by the Issuer out of the Cash Ledger. However, if the amount of cash held in the Cash Ledger is insufficient to pay outstanding costs and expenses incurred by the Issuer (which may relate to series of Portfolio Notes other than the relevant Notes), the Issuer is authorised to sell or ask for the redemption of such portion of the Underlying Securities as may be required to pay all such outstanding costs and expenses. This will inevitably reduce the pool of the Underlying Securities allocated to the Portfolio and, consequently, the amount of any redemption monies that Noteholders will receive in respect of the respective Notes.

#### **1.4 There may be other creditors in respect of the Portfolio**

- (a) Pursuant to Part XIV of the Companies Law and the conditions of the Notes, the Portfolio Assets are exclusively available to satisfy the rights of the Noteholders and the rights of any other creditor whose claims have arisen in connection with the creation, the operation or the liquidation of the Portfolio, including holders of Portfolio Notes, if any (collectively, the **Portfolio Parties**). The amounts payable or deliverable by the Issuer to the Portfolio Parties, including under the Transaction Documents, are referred to as **Portfolio Liabilities**.
- (b) In respect of each Portfolio, the Issuer is not aware of any claims of persons other than Portfolio Parties that have arisen or may in the future arise on terms that such claims would be entitled, under the Companies Law, to be satisfied from the Portfolio Assets. However, if such claims exist at the issue date of the Notes or will arise in the future, they may have a material and adverse effect on the value of the Portfolio Assets available to meet the claims

of the Noteholders and other Portfolio Parties, and therefore the Portfolio Assets may not be sufficient to satisfy all amounts scheduled to be paid to the Noteholders and other Portfolio Parties.

### **1.5 Limited recourse and non-petition**

- (a) The rights of Noteholders and other Portfolio Parties to participate in the assets of the Company are limited to the Portfolio Assets in accordance with Part XIV of the Companies Law and the Conditions. If the payments and/or deliveries received by the Issuer in respect of Portfolio Assets are not sufficient to discharge the relevant Portfolio Liabilities, the obligations of the Issuer in respect of such Portfolio Liabilities, including the relevant Notes, will be limited to the Portfolio Assets. The Issuer will not be obliged to make any further payments and/or deliveries to any Portfolio Parties, including the Noteholders, in excess of the amounts received upon the realisation of the Portfolio Assets. Following the application of the proceeds of realisation of the Portfolio Assets in accordance with the Conditions, the terms and conditions of other Portfolio Notes (if any) and the Company Articles, the claims of the Noteholders and any other Portfolio Parties for any shortfall shall be extinguished and the Noteholders and the other Portfolio Parties (and any person acting on behalf of any of them) may not take any further action to recover such shortfall.
- (b) In particular, no such party has the right to (i) petition for the winding-up, the liquidation or the bankruptcy of the Company or (ii) apply for a receivership order under section 224 of the Companies Law in respect of the relevant Portfolio or any other segregated portfolio of the Company as a consequence of any shortfall or to take any similar proceedings. Failure to make payment in respect of any shortfall shall in no circumstances constitute an event of default under the Conditions. Any shortfall under a Portfolio shall be borne by the relevant Noteholders and the other Portfolio Parties.
- (c) The Noteholders may be exposed to competing claims of other creditors of the Company, the claims of which have not arisen in connection with the creation, the operation or the liquidation of the relevant Portfolio if foreign courts, which have jurisdiction over assets of the Company allocated to a segregated portfolio (including the Portfolio) do not recognise the segregation of assets and liabilities, as provided for in the Companies Law. The claims of these other creditors may affect the scope of assets which are available for the claims of the Noteholders and other Portfolio Parties. If as a result of such claims, a shortfall arises, such shortfall will be borne by the Noteholders and other Portfolio Parties.

### **1.6 Consequences of Winding-up Proceedings**

- (a) The Company is structured to be an insolvency-remote vehicle. The Issuer will aim at contracting with each Portfolio Party with respect to Portfolio Liabilities only upon terms whereby such party agrees not to make application for the commencement of winding-up, liquidation and bankruptcy or similar proceedings against the Company. Legal proceedings initiated against the Company in breach of these provisions shall, in principle, be declared inadmissible by the courts of the Cayman Islands.
- (b) Notwithstanding the foregoing, if the Company fails for any reason to meet its obligations or liabilities (that is, if the Company is unable to pay its debts and may obtain no further credit), a creditor who has not (and cannot be deemed to have) accepted non-petition and limited recourse provisions in respect of the Company is entitled to make an application for the commencement of insolvency proceedings against the Company. In that case, such creditor should, however, not have recourse to the assets of any segregated portfolio but would have to exercise its rights on the general assets of the Company unless its rights would arise in connection with the creation, operation or liquidation of a specific segregated portfolio, in which case the creditor would have recourse to the assets allocated to that segregated portfolio. Furthermore, the commencement of such proceedings may, in certain

conditions, entitle creditors to terminate contracts with the Company and claim damages for any loss created by such early termination. The Company is insolvency-remote but under no circumstances insolvency-proof.

### **1.7 No security interests**

The Issuer has not created any security interest over the Underlying Securities to secure its obligations in respect of Portfolio Liabilities and in respect of the Notes and no such security interests exist for the benefit of the Noteholders or other Portfolio Parties.

### **1.8 Reliance on third parties**

The Issuer is party to contracts with a number of third parties who have agreed to perform a number of services in relation to the Notes.

If any such third party fails to perform its obligations under any relevant agreement, investors may be adversely affected.

No assurance can be given that the creditworthiness of the parties to the Transaction Documents will not deteriorate in the future. This may affect the performance of their respective obligations under the respective Transaction Documents.

### **1.9 Potential conflicts of interest**

The Company may create segregated portfolios under which it may invest in the same assets as, or in assets similar to, the assets in which already existing segregated portfolios have invested. Furthermore, the investment policy of each Portfolio may compete or be in conflict with the investment policy of other Portfolios or other segregated portfolios set up or to be set up by the Company, as the case may be.

Investors do not have the right to switch from one Portfolio to another Portfolio or segregated portfolio of the Company or to receive any compensatory payments whatsoever as a result of such competing investment policy.

There are potential conflicts of interests in relation to the investment policies applicable to the various segregated portfolios of the Company and the agents performing obligations in connection with the Notes.

## **2. RISK FACTORS RELATING TO THE NOTES**

### **2.1 Limited Recourse**

- (a) All payments to be made by the Issuer in respect of the Notes will be made only from the assets and rights comprised in, and any monies received or held from time to time by or on behalf of the Issuer in respect of the relevant Underlying (the **Relevant Assets**) and which will be allocated to the relevant Portfolios. The Noteholders will consequently bear, amongst others, the insolvency risk of Timberland Investment.
- (b) To the extent that the Relevant Assets are less than the minimum amount which the holders of the outstanding Notes were scheduled to receive (the difference being referred to herein as a **shortfall**), such shortfall will be borne by the Noteholders.
- (c) Each Noteholder, by subscribing to or purchasing the Notes, accepts and acknowledges, and will be deemed to accept and acknowledge, that:
  - (i) the Noteholders shall look solely to the Relevant Assets for payments and (if any) deliveries to be made by the Issuer under the Notes;

- (ii) the monies received in respect of the Relevant Assets will be used first to pay various Costs before distributions will be made to the Noteholders;
  - (iii) the obligations of the Issuer to make payments and deliveries under the Notes will be limited to the Relevant Assets and the Noteholders shall have no further recourse to the Issuer (or any of its rights, assets or properties) in respect of the Notes;
  - (iv) following the application of the Relevant Assets, and without prejudice to the foregoing, any right of the Noteholders to claim payment of any amounts or assets exceeding the Relevant Assets shall be automatically extinguished; and
  - (v) the Noteholders shall not be able to (i) petition for the winding up, the liquidation or the bankruptcy of the Company or (ii) apply for a receivership order under section 224 of the Companies Law in respect of the Portfolio or any other segregated portfolio of the Company as a consequence of any shortfall or otherwise.
- (d) For the avoidance of doubt, none of the Bearer Notes Paying Agent, the Calculation Agent, the Distribution Agent, the Arranger, a director, officer, employee or shareholder of the Company has any obligation to any Noteholder for payment or delivery of any amount by the Issuer in respect of the Notes. There is no guarantee from any such person to the Noteholders that they will recover any amounts payable or deliverable under the Notes.
- (e) Any recourse against the shareholders or the directors of the Company in respect of obligations assumed by the Issuer under the Notes is excluded. The Issuer is not an agent of the Noteholders for any purpose.

## **2.2 The Notes may not be a suitable investment for all investors**

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in, or incorporated by reference into, the Prospectus or any supplement thereto;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes where the currency for principal payments is different from the potential investor's currency;
- (iv) understand fully the respective Conditions of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.



## **2.3 Risks relating to the structure of the Notes**

The Notes have features which may contain particular risks for potential investors.

### **(a) Optional redemption by the Issuer**

Since, in certain circumstances, the Issuer may redeem some Notes prior to their stated maturity date; it is possible that the Noteholders may receive less or substantially less redemption monies than if the Issuer redeemed such Notes on their stated maturity date. Early redemption of Notes prior to their stated maturity date may have a material adverse effect on the redemption price of such Notes and may have a negative impact on the investment strategy of an investor in the Notes.

### **(b) Optional redemption by the Noteholders**

The Noteholders may require the Issuer to redeem the Notes before their stated maturity only on 15 November of each calendar year and after the expiry of the Lock-Up Period (as defined in the Conditions). Early redemption of the Notes prior to their stated maturity date may have a material adverse effect on the redemption price of the Notes and may have a negative impact on the investment strategy of an investor in the Notes.

### **(c) No interest payments on the Notes**

The Notes will not pay any interest or coupon and thus do not grant a claim to the payment of a regular income. Possible losses under the Notes can therefore not be compensated by means of other income received under the Notes.

### **(d) Fees and expenses**

In connection with the Notes, Noteholders should note that certain amounts, including but not limited to amounts payable to any agents and service providers, rank senior to payments of any redemption monies under the Notes to the Noteholders:

### **(e) Payments to be made by the Issuer under the Notes are expressly subject to receipt or availability of corresponding funds under the relevant Underlying and therefore, by subscribing the Notes, the Noteholders incur the risk that they will lose all or part of their investment in the Notes.**

### **(f) Substitution of the Issuer**

The Conditions contain provisions for the substitution of another company as principal debtor under the Notes in place of the Issuer. The amounts which Noteholders should receive in respect of the Notes may be affected in the event that the Issuer substitutes another company for itself as issuer of the Notes under the Conditions.

## **2.4 General risks relating to the Notes**

### **(a) Modification**

The respective Conditions of the Notes provide for meetings of Noteholders (in relation to which the detailed provisions are reproduced in this Prospectus) to consider matters affecting their interests generally. These provisions permit, among other things, defined majorities to bind all holders of a series of Notes, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

The respective Conditions of the Notes also provide that the Issuer may, without the consent of Noteholders, make any modification to the relevant Conditions which is of a formal,

minor or technical nature, or is made to correct a manifest or proven error, or to comply with mandatory provisions of the law of the jurisdiction in which the Company is incorporated or to reflect any change of law which has an impact on the Issuer's obligations under the Notes.

(b) Further issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue under each Portfolio further notes (i) having the same terms and conditions in all respects as the outstanding Notes except for the issue date, so that such further issue shall be consolidated and form a single series with the relevant series of the outstanding Notes or (ii) upon such terms and conditions as the Issuer may determine at the time of their issue (with a different fee structure (as applicable)). The Company may, without the consent of the Noteholders, issue all types of securities under other segregated portfolios set up by it.

(c) Costs relating to the purchase and sale of the Notes

Commissions and other costs, which are incurred by a potential investor in connection with the purchase and/or sale of Notes, may significantly reduce the income generated by an investment in the Notes.

(d) EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

(e) Taxation of Notes in the Public Offer Jurisdictions

Please see section “*Taxation*” of this Prospectus.

(f) Change of law

The respective Conditions of the Notes are based on Luxembourg law now in force. No assurance can be given as to the impact of any possible judicial decision or change to Luxembourg law or administrative practice after the date of this Prospectus.

(g) No right to enforce the Underlying Securities

Whilst payments and deliveries under the Notes are dependent upon the return (if any) derived from and payments made under the Underlying Securities, Noteholders will have no direct right to enforce the terms of the Underlying Securities against Timberland Investment. The Issuer shall exercise its right as a holder of the Underlying Securities in good faith and in a commercially reasonable manner, taking into consideration the interests of the Noteholders as a class in respect of the Underlying Securities pursuant to the Notes.

(h) Hedging the risk relating to an investment in the Notes

Potential investors may not be able, or only be able at important costs, to enter into hedging agreements to limit the risk that is generated by an investment in the Notes. Such hedging costs may significantly reduce the income generated by an investment in the Notes.

(i) Loan financing of the investment in the Notes

A potential investor that finances its investment in the Notes via a loan should not rely on the fact that the income generated by an investment in the Notes will suffice to repay the loan itself and the interest thereon. In the case of a loss of the investment, the investor would still have to repay the loan and the interest thereon.

### 3. RISKS RELATING TO THE MARKETS GENERALLY

#### 3.1 The secondary market generally

The Registered Notes do not have an established trading market when issued, and one may never develop. In particular, as there is no intention for the Registered Notes to be listed and traded on any exchange, potential investors should be aware that by subscribing for or otherwise purchasing the Registered Notes they may be investing in instruments whose liquidity is very limited or none. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Registered Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Registered Notes. Neither the Issuer nor any of its agents will arrange for a market to develop in respect of the Registered Notes.

#### 3.2 Exchange rate risks and exchange controls

The Issuer will pay any redemption monies in respect of the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the sums payable in respect of the Notes and (3) the Investor's Currency-equivalent market value of the Notes. Government and monetary

authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less redemption monies than expected, or no redemption monies.

### **3.3 Credit ratings may not reflect all risks**

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

### **3.4 Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

None of the Issuer, the Bearer Notes Paying Agent, the Calculation Agent, the shareholders of the Company nor any of their respective affiliates has assumed or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it. A prospective purchaser may not rely on the Issuer, the Bearer Notes Paying Agent, the Calculation Agent, any shareholder of the Company nor any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes nor as to the other matters referred to in any of the risk factors set out in this section or elsewhere in this Prospectus.

## **4. RISK FACTORS RELATING TO TIMBERLAND INVESTMENT AND THE UNDERLYING SECURITIES**

### **4.1 Timberland Investment is a special purpose vehicle**

Timberland Investment's sole business is the raising of money by issuing securities for the purposes of acquiring assets or risks relating to assets generally.

### **4.2 Securitisation Act 2004 and compartments generally**

- (a) Timberland Investment is established as an unregulated securitisation undertaking (*société de titrisation*) within the meaning of the Securitisation Act 2004. The board of directors of Timberland Investment (the **Board**) may establish one or more compartments (within the meaning of articles 62 *et seq.* of the Securitisation Act 2004), each of which is a separate and distinct part of Timberland Investment's estate (*patrimoine*) and which may be distinguished by the nature of acquired risks or assets, the terms and conditions of the obligations incurred in relation to the relevant compartment, their reference currency or other distinguishing characteristics.
- (b) By subscribing to, or otherwise acquiring, Equity Portfolio Limited Recourse Bonds, Bonds Portfolio Limited Recourse Bonds, Precious Metals Portfolio Limited Recourse Bonds and Currency Portfolio Limited Recourse Bonds (the **Underlying Securities**), the Issuer will, and shall be deemed to, fully adhere to, and be bound by, the Timberland Investment Articles. The Timberland Investment Articles in force as of the date of this Prospectus have

been filed with the Luxembourg trade and companies register and are available for inspection at the Luxembourg trade and companies register during normal business hours. As and when restated versions (*statuts coordonnés*) of the Timberland Investment Articles are produced, such restated versions will be filed with the Luxembourg trade and companies register and will be available for inspection. Each amendment to the Timberland Investment Articles will be published in the official gazette in Luxembourg, the *Mémorial*.

#### 4.3 Compartments relating to the Underlying Securities

- (a) With respect to the Underlying Securities, the Board has established separate compartments called “Equity Portfolio Compartment”, “Bonds Portfolio Compartment”, “Precious Metals Portfolio Compartment” and “Currency Portfolio Compartment” (each a **Compartment**). Pursuant to the Securitisation Act 2004, claims against Timberland Investment by the Issuer (as holder of the Underlying Securities) and by the other Compartment Parties (as defined below) will be limited to the net assets of the Compartment to which the relevant Underlying Securities will have been allocated. If a Compartment is liquidated, its assets shall be applied in accordance with the respective terms and conditions of the Underlying Securities.
- (b) The Board shall establish and maintain separate accounting records for each Compartment in order to ascertain the rights of the holders of the Underlying Securities and of the other Compartment Parties in respect of such Compartment for the purposes of the Timberland Investment Articles, the respective terms and conditions of the Underlying Securities, such accounting records being conclusive evidence of such rights in the absence of proven manifest error.
- (c) The assets of each Compartment (the **Compartment Assets**) shall include, without limitation, the following rights and assets of Timberland Investment:
  - (i) the proceeds of the issue of the Underlying Securities, to the extent not applied in making payment under the agreements entered into by Timberland Investment in connection with the issue of the Underlying Securities and the acquisition of the Equity Portfolio, the Bonds Portfolio, the Precious Metals Portfolio and the Currency Portfolio, respectively (the **Transaction Documents** and each a **Transaction Document**);
  - (ii) the Equity Portfolio, the Bonds Portfolio, the Precious Metals Portfolio and the Currency Portfolio, respectively;
  - (iii) the Cash Ledger (as defined below); and
  - (iv) the rights, title and interest of Timberland Investment in, to and under each of the Transaction Documents.
- (d) Any payments in respect of the Notes will be made by Timberland Investment to the Issuer after Timberland Investment has settled all unpaid costs. To this effect Timberland Investment has created a separate ledger for each Compartment to be used for the payment of (i) costs and expenses incurred by Timberland Investment in connection with, and relating to, the relevant Underlying Securities and the relevant Compartment or (ii) the relevant proportion of general costs of Timberland Investment allocated to such Compartment in accordance with the Timberland Investment Articles (the **Cash Ledger**). Timberland Investment may determine the amount of the Cash Ledger at its sole discretion.

#### 4.4 There may be other creditors in respect of the Compartment

- (a) Pursuant to the Securitisation Act 2004, the Compartment Assets are exclusively available to satisfy the rights of the holders of the relevant Underlying Securities and the rights of any other creditor whose claims have arisen in connection with the creation, the operation or the

liquidation of the relevant Compartment, if any, e.g. the various agents of Timberland Investment (collectively, the **Compartment Parties**). The amounts payable or deliverable by Timberland Investment to the relevant Compartment Parties, including under the Transaction Documents, are referred to as **Compartment Liabilities**.

- (b) Timberland Investment is not aware of any claims of persons other than Compartment Parties that have arisen or may in the future arise on terms that such claims would be entitled, under the Securitisation Act 2004, to be satisfied from the Compartment Assets. However, if such claims exist at the issue date of the Underlying Securities or will arise in the future, they may have a material and adverse effect on the value of the Compartment Assets available to meet the claims of the relevant holders of Underlying Securities and other Compartment Parties, and therefore the Compartment Assets may not be sufficient to satisfy all amounts scheduled to be paid to the relevant holders of Underlying Securities and other Compartment Parties.

#### **4.5 Limited recourse and non-petition**

- (a) The rights of the Issuer as holder of the Underlying Securities and other Compartment Parties to participate in the assets of Timberland Investment are limited to the Compartment Assets. If the payments and/or deliveries received by Timberland Investment in respect of the Compartment Assets are not sufficient to discharge all Compartment Liabilities, the obligations of Timberland Investment in respect of the Compartment Liabilities, including the Underlying Securities, will be limited to the Compartment Assets. Timberland Investment will not be obliged to make any further payments and/or deliveries to any Compartment Parties, including the relevant holders of Underlying Securities, in excess of the amounts received upon the realisation of the Compartment Assets. Following the application of the proceeds of realisation of the Compartment Assets in accordance with the terms and conditions of the Underlying Securities and the Timberland Investment Articles, the claims of the relevant holders of Underlying Securities and any other Compartment Parties for any shortfall shall be extinguished and the relevant holders of Underlying Securities and the other Compartment Parties (and any person acting on behalf of any of them) may not take any further action to recover such shortfall.
- (b) In particular, no such party has the right to petition for the winding-up, the liquidation or the bankruptcy of Timberland Investment as a consequence of any shortfall or to take any similar proceedings. Failure to make payment in respect of any shortfall shall in no circumstances constitute an event of default under the terms and conditions of the Underlying Securities. Any shortfall under the Compartment shall be borne by the relevant holders of Underlying Securities and the other Compartment Parties.
- (c) The Issuer as holder of the Underlying Securities may be exposed to competing claims of other creditors of Timberland Investment, the claims of which have not arisen in connection with the creation, the operation or the liquidation of the relevant Compartment if foreign courts, which have jurisdiction over assets of Timberland Investment allocated to a compartment (including the Compartments) do not recognise the segregation of assets and the compartmentalisation, as provided for in the Securitisation Act 2004. The claims of these other creditors may affect the scope of assets which are available for the claims of the relevant holders of Underlying Securities and other Compartment Parties. If as a result of such claims, a shortfall arises, such shortfall will be borne by the relevant holders of Underlying Securities and other Compartment Parties.

#### **4.6 Consequences of Winding-up Proceedings**

- (a) Timberland Investment is structured to be an insolvency-remote vehicle. Timberland Investment will aim at contracting with each Compartment Party with respect to Compartment Liabilities only upon terms that such party agrees not to make application for

the commencement of winding-up, liquidation and bankruptcy or similar proceedings against Timberland Investment. Legal proceedings initiated against Timberland Investment in breach of these provisions shall, in principle, be declared inadmissible by a Luxembourg court.

- (b) Notwithstanding the foregoing, if Timberland Investment fails for any reason to meet its obligations or liabilities (that is, if Timberland Investment is unable to pay its debts and may obtain no further credit), a creditor who has not (and cannot be deemed to have) accepted non-petition and limited recourse provisions in respect of Timberland Investment is entitled to make an application for the commencement of insolvency proceedings against Timberland Investment. In that case, such creditor would, however, not have recourse to the assets of any compartment but would have to exercise its rights on the general assets of Timberland Investment unless its rights would arise in connection with the creation, operation or liquidation of a specific compartment, in which case the creditor would have recourse to the assets allocated to that compartment. Furthermore, the commencement of such proceedings may, in certain conditions, entitle creditors to terminate contracts with Timberland Investment and claim damages for any loss created by such early termination. Timberland Investment is insolvency-remote but under no circumstances insolvency-proof.

#### **4.7 No security interests**

Timberland Investment has not created any security interest over the Equity Portfolio, the Bonds Portfolio, the Precious Metals Portfolio or the Currency Portfolio to secure its obligations in respect of Compartment Liabilities and in respect of the Underlying Securities and no such security interests exist for the benefit of the relevant holders of Underlying Securities or other Compartment Parties.

#### **4.8 Reliance on third parties**

Timberland Investment is party to contracts with a number of third parties who have agreed to perform a number of services in relation to the Underlying Securities.

If any such third party fails to perform its obligations under any relevant agreement, investors may be adversely affected.

No assurance can be given that the creditworthiness of the parties to the Transaction Documents will not deteriorate in the future. This may affect the performance of their respective obligations under the respective Transaction Documents.

#### **4.9 Potential conflicts of interest**

Timberland Investment may create compartments under which it may invest in the same assets as, or in assets similar to, the assets in which already existing compartments have invested. Furthermore, the investment policy of a compartment set up by Timberland Investment may compete, as the case may be, or be in conflict with the investment policy of other compartments set up or to be set up by Timberland Investment, as the case may be. Investors do not have the right to switch from one compartment to another compartment or to receive any compensatory payments whatsoever as a result of such competing investment policy.

### **5. RISK FACTORS RELATING TO THE EQUITY PORTFOLIO COMPARTMENT**

Timberland Investment invests the net issue proceeds of the Equity Portfolio Limited Recourse Bonds into a selection of different series of fund shares (the **Fund Shares**) relating to thirty (30) investment funds (the **Funds**). Different classes of Fund Shares are available in respect of DJE - Dividende & Substanz (2), Franklin Global Growth and Value Fund (2) and Timberland Top-Dividende International (2). An overview of the risk factors relating to the

thirty-three (33) series of Fund Shares eligible for investment by Timberland Investment under the Equity Portfolio Compartment (as defined below) are set out hereafter.

Due to the composition and the techniques applied by its fund management, the Funds are subject to volatility, which means that the price of the Fund Shares may be subject to considerable downward or upward fluctuation, even within short periods of time.

The Fund Shares are subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in the Fund Shares exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, the Funds may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of the Fund Shares considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of the Fund Shares is generally dependent on the implementation of the relevant Fund's investment policy and is influenced in particular by the following factors (if applicable), which give rise to both opportunities and risks: general market developments; the liquidity of the assets invested in; concentration risks; credit risk; the use of derivative financial instruments; taxation; interest rate movements; exchange rate movements; developments in emerging markets; risks relating to investments in Russia; risks relating to investments in Asia; prepayment risk; investments in small and medium sized companies; commodity risk; credit ratings; cancellation risk; inflation; securities lending; the fluctuation of the value of equity investments; investments in high yield products; investments in real estate investment trusts; counterparty risk; legal risk; the use of repurchase agreements; the presence of central counterparties; events occurring in the Eurozone; convertible securities risk; growth stocks risk; warrants risk; value stocks risk; concentrated portfolios; investments in Renminbi; changes in the investment policies of the Funds; custody risk; settlement risk; risks relating to hedged share classes; suspension of dealings in shares; geographic concentration of investments; costs and expenses; tracking of an index performance; market disruption; cash concentration; key management persons and the use of hedging techniques or leverage techniques.

## **6. RISK FACTORS RELATING TO THE BONDS PORTFOLIO COMPARTMENT**

### **6.1 Risks related to Luxembourg Covered Bonds (*Lettres de gage*)**

#### **(a) General risks related to Luxembourg Covered Bonds**

Set out below is a brief description of certain risks relating to Luxembourg Covered Bonds generally:

Each prospective investor in Luxembourg Covered Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Luxembourg Covered Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all



investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Luxembourg Covered Bonds.

Luxembourg Covered Bonds may not be a suitable investment for all investors.

Each potential investor in Luxembourg Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Luxembourg Covered Bonds, the merits and risks of investing in Luxembourg Covered Bonds;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in Luxembourg Covered Bonds and the impact Luxembourg Covered Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in Luxembourg Covered Bonds, including Luxembourg Covered Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of Luxembourg Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Luxembourg Covered Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Luxembourg Covered Bonds which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Luxembourg Covered Bonds will perform under changing conditions, the resulting effects on the value of the Luxembourg Covered Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Please refer to section 3 above for a description of the risks relating to the markets generally, such risks being applicable *mutatis mutandis* to Luxembourg Covered Bonds.

(b) EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal

arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither Timberland Investment nor any paying agent (i) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

(c) Implementation of new regulatory capital framework

On 16 December 2010 and on 13 January 2011, the Basel Committee on Banking Supervision issued its final guidance on a number of fundamental reforms to the regulatory capital framework (such reforms being commonly referred to as **Basel III**), including new capital requirements, higher capital ratios, more stringent eligibility requirements for capital instruments, a new leverage ratio and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for financial institutions. A revised version of these proposals was issued in June 2011.

The Basel III reform package has been implemented in the EEA through a regulation (the **Capital Requirements Regulation**) and an associated directive (Capital Requirements Directive (the **CRD**)) (together, **CRD IV**), which were published in the Official Journal of the European Union on 27 June 2013. The regulation establishes a single set of harmonised prudential rules which will apply directly to all credit institutions in the EEA with the directive containing less prescriptive provisions which will need to be transposed into national law. Full implementation began from 1 January 2014, with particular elements being phased in over a period of time, to be fully effective by 2024.

The credit institution's capital is reported as a ratio of risk-adjusted assets expressed as a percentage in different measures – Common Equity Tier 1 capital, Additional Tier 1 capital and total capital. If the credit institution fails, or is perceived to be likely to fail, to meet its minimum regulatory capital requirements, this may result in administrative actions or regulatory sanctions against it. Effective management of the credit institution's capital is critical to its ability to operate and grow its business and to pursue its strategy. Any change that limits the credit institution's ability to effectively manage its balance sheet and capital resources (including, for example, reductions in profits and retained earnings as a result of credit losses, write-downs or otherwise, increases in risk-weighted assets (which are procyclical under the current Capital Requirements Regulation, resulting in risk weighting increasing in economic downturns), delays in the disposal of certain assets or the inability to raise capital or funding through wholesale markets as a result of market conditions or otherwise) could have a material adverse impact on its business, financial condition, results of operations, liquidity and/or prospects.

(d) Foreign Account Tax Compliance Act

Foreign Account Tax Compliance Act (**FATCA**) withholding may affect payments on Luxembourg Covered Bonds.

(e) Bank Recovery and Resolution Directive

The Council of the European Union has adopted a bank recovery and resolution directive which is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The implementation of the directive or the taking of any action under it could materially affect the value of any Luxembourg Covered Bonds.

On 2 July 2014, the Directive 2014/59/EU of the Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (the **BRRD**) entered into force. The BRRD has, as of the date hereof, not been implemented in Luxembourg. It is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures or supervisory action would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest:

(i) the sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms;

(ii) the creation and use of a bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control);

(iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and

(iv) bail-in which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims including the Luxembourg Covered Bonds to equity (the general bail-in tool), which equity could also be subject to any future application of the general bail-in tool. Relevant claims for the purposes of the bail-in tool would include the claims of the holders in respect of any debt securities issued by the Issuer under its ancillary activity, although in the case of Luxembourg Covered Bonds, this would only be the case if and to the extent that the amounts payable in respect of Luxembourg Covered Bonds exceeded the value of the cover pool collateral against which payment of those amounts is secured.

The BRRD also provides the right for a Member State as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, to be able to provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

An institution will be considered as failing or likely to fail when: it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; its assets are, or are

likely in the near future to be, less than its liabilities; it is, or is likely in the near future to be, unable to pay its debts as they fall due; or it requires extraordinary public financial support (except in limited circumstances).

When applying bail-in, the resolution authority must first reduce or cancel common tier one equity, thereafter reduce, cancel, convert additional tier one instruments, then tier two instruments and other subordinated debts to the extent required and up to their capacity. If and if only this total reduction is less than the amount needed, the resolution authority will reduce or convert to the extent required the principal amount or outstanding amount payable in respect of unsecured creditors in accordance with the hierarchy of claims in normal insolvency proceedings.

The BRRD provides that it will be applied by Member States from 1 January 2015, except for the senior debt bail-in tool which is to be applied from 1 January 2016 at the latest. The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

When the BRRD will be implemented in EU countries, Luxembourg Covered Bonds may be subject to write-down or conversion into equity on any application of the senior debt bail-in tool subject to the limitation outlined above, which may result in such holders losing some or all of their investment. The exercise of any power under the BRRD or any suggestion of such exercise could materially adversely affect the rights of holders of Luxembourg Covered Bonds, the price or value of their investment in any Luxembourg Covered Bonds and/or the ability of the issuer to satisfy its obligations under any Luxembourg Covered Bonds.

Regulation 806/2014/EU of the European Parliament and of the Council of 15 July 2014 establishes a Single Resolution Mechanism (SRM) for the Banking Union (i.e. Euro-zone and participating countries). Under this regulation, a centralised power of resolution is established and entrusted to a Single Resolution Board and to the national resolution authorities. The SRM will be directly applicable in participating EU countries (including Luxembourg) starting from 1 January 2015. It will ensure a full harmonization of resolution, including bail-in, in the Banking Union.

(f) Risks related to the structure of a particular issue of Luxembourg Covered Bonds

Luxembourg Covered Bonds subject to optional redemption by the issuer of Luxembourg Covered Bonds

An optional redemption feature of Luxembourg Covered Bonds is likely to limit their market value. During any period when the issuer may elect to redeem Luxembourg Covered Bonds, the market value of those Luxembourg Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

Early redemption and reinvestment risks

The issuer of Luxembourg Covered Bonds may be expected to redeem Luxembourg Covered Bonds which may be redeemed when its cost of borrowing is lower than the interest rate on the Luxembourg Covered Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Luxembourg Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed rate Luxembourg Covered Bonds

Investment in Fixed Rate Luxembourg Covered Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Luxembourg Covered Bonds.

#### Floating rate Luxembourg Covered Bonds

The interest rate of Luxembourg Covered Bonds which bear interest at a floating rate is typically comprised of (i) a reference rate, and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the Luxembourg Covered Bonds but there will be a periodic adjustment of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate Luxembourg Covered Bonds may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these Luxembourg Covered Bonds upon the next periodic adjustment of the relevant reference rate.

#### Luxembourg Covered Bonds issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### Zero coupon Luxembourg Covered Bonds

Changes in market interest rates have a substantially stronger impact on the prices of zero coupon Luxembourg Covered Bonds than on the prices of ordinary Luxembourg Covered Bonds because the discounted issue prices are substantially below par. If market interest rates increase, zero coupon Luxembourg Covered Bonds can suffer higher price losses than other Luxembourg Covered Bonds having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Luxembourg Covered Bonds are a type of investment associated with a particularly high price risk.

#### (g) Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

##### Market value of Luxembourg Covered Bonds

The market value of the Luxembourg Covered Bonds will be affected by the creditworthiness of their issuer and a number of additional factors, including but not limited to, the volatility of the market interest and yield rates and the time remaining to the maturity date.

The value of Luxembourg Covered Bonds depends on a number of interrelated factors, including economic, financial and political events in Europe or elsewhere, including factors affecting capital markets generally and the stock exchanges on which Luxembourg Covered Bonds are traded. The price at which an investor will be able to sell its Luxembourg Covered Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

##### The secondary market generally

Luxembourg Covered Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Luxembourg Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Luxembourg Covered Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Luxembourg Covered Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities.

Illiquidity may have a severely adverse effect on the market value of Luxembourg Covered Bonds.

## **6.2 Risks related to German Covered Bonds (*Pfandbriefe*)**

Please refer to the risks related to Luxembourg Covered Bonds set out under section 6.1 above for a description of the risks related to German Covered Bonds which are equivalent to the risks related to Luxembourg Covered Bonds.

## **6.3 Risks related to debt securities (Bonds) generally**

Set out below is a brief description of certain risks relating to Bonds generally:

Each prospective investor in Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

Bonds may not be a suitable investment for all investors.

Each potential investor in Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in Bonds;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They

purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Bonds which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Please refer to section 3 above for a description of the risks relating to the markets generally, such risks being applicable *mutatis mutandis* to any type of Bonds.

## **7. RISK FACTORS RELATING TO THE CURRENCY PORTFOLIO COMPARTMENT**

Timberland Investment invests the net issue proceeds of the Currency Portfolio Limited Recourse Bonds into a selection of different series of fund shares (the **Fund Shares**) relating thirty (30) investment funds (the **Funds**) that fulfil one of the criteria set out in section “*Description of Currency Portfolio Limited Recourse Bonds*” of the Prospectus. Different classes of Fund Shares are available in respect of DJE - Dividende & Substanz (2), Franklin Global Growth and Value Fund (2) and Timberland Top-Dividende International (2). An overview of the risk factors relating to the thirty-three (33) series of Fund Shares eligible for investment by Timberland Investment under the Currency Portfolio Compartment (as defined below) are set out hereafter.

Due to the composition and the techniques applied by its fund management, the Fund are subject to volatility, which means that the price per Fund Share may be subject to considerable downward or upward fluctuation, even within short periods of time.

The Fund Shares are subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in the Fund Shares exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, the Funds may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of the Fund Shares considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of the Fund Shares is generally dependent on the implementation of the relevant Fund's investment policy and is influenced in particular by the following factors (if applicable), which give rise to both opportunities and risks: general market developments, especially but not limited to the development of equities; the liquidity of the assets invested in; concentration risks; credit risk; the use of derivative financial instruments; taxation; interest rate movements; exchange rate movements; developments in emerging markets; investments in Russia; investing in Asia; prepayment risk; investments in small and medium sized companies; commodity risk; credit ratings; cancellation risk; inflation; securities lending; the fluctuation of the value of equity investments; investments in high yield products; investments in real estate investment trusts; counterparty risk; legal risk; the use of repurchase agreements; the presence of central counterparties; events occurring in the

Eurozone; convertible securities risk; growth stocks risk; warrants risk; value stocks risk; concentrated portfolios; investments in RMB; changes in the investment policies of the Funds; custody risk; settlement risk; hedged share classes; suspension of dealings in shares; geographic concentration of investments; costs and expenses; tracking of an index performance; market disruption; cash concentration; key management persons and the use of hedging techniques or leverage techniques.

## **8. RISK FACTORS RELATING TO THE PRECIOUS METALS PORTFOLIO COMPARTMENT**

### **8.1 Market risks relating to precious metals**

#### **(a) Prices of physical precious metals**

Prices of physical precious metals (that is precious metals physically delivered to and in possession of the buyer), including the Eligible Precious Metals (as defined in section “*Description of Precious Metals Portfolio Limited Recourse Bonds*” of this Prospectus), are generally highly volatile and may fluctuate considerably. They may be affected by numerous factors, including but not limited to and among others:

- global or regional political, economic or financial events and situations, particularly war, terrorism, expropriation and other activities which might lead to disruptions to supply from countries that are major producers of physical precious metals (for example South Africa and Russia, which are the two major suppliers of platinum and palladium);
- disruptions in the supply chain, from mining to storage to smelting or refining;
- adjustments to inventory;
- variations in production costs, including storage, labour and energy costs;
- costs associated with regulatory compliance, including environmental regulations;
- global metal supply and demand and changes the demand by industrial, government and consumer, both in individual consuming nations and internationally; which is also influenced by such factors as exploration success, mine production and net forward selling activities by metal producers, jewellery demand, investment demand and industrial demand, net of any recycling;
- precious metal leasing rates;
- financial activities including investment trading, hedging or other activities conducted by large trading houses, producers, users, hedge funds, commodities funds, governments or other speculators which could impact global supply or demand; and
- financial market factors such as investors’ expectations with respect to future rates of inflation, movements in world equity, financial and property markets, interest rates and currency exchange rates, particularly the strength of and confidence in the US dollar.
- currency exchange rates;
- level of economic growth and inflation; and



- the degree to which consumers, governments, corporate and financial institutions hold physical gold as a safe haven asset (hoarding) which may be caused by a banking crisis/recovery, a rapid change in the value of other assets (both financial and physical) or changes in the level of geopolitical tension.

These factors interrelate in complex ways, and the effect of one factor on the market value of Eligible Precious Metals held in the Precious Metals Portfolio Compartment and, due to this, the relevant Precious Metals Portfolio Limited Recourse Bonds may offset or compound the effect of another factor.

Furthermore crises may trigger large-scale sales of Precious Metals. Investors should note that large scale distress sales of precious metals which may occur in times of crisis may have a negative impact on the value of the Eligible Precious Metals held in the Precious Metals Portfolio Compartment, which in turn will affect the value the Precious Metals Limited Recourse Bonds and the Notes.

The net asset value of the Precious Metals Portfolio Compartment and the value of the Precious Metals Portfolio Limited Recourse Bonds are expected to change in line with changes in the market value of the Eligible Precious Metals allocated to the Precious Metals Portfolio Compartment. The price of relevant Precious Metals Portfolio Limited Recourse Bonds may go down as well as up. There can be no assurance that the Precious Metals Portfolio Compartment will achieve its investment objectives or that the Notes will achieve profits or avoid losses, significant or otherwise. The capital return of the relevant Precious Metals Portfolio Limited Recourse Bonds is based on the capital appreciation of the Bullion held by Timberland Investment in the Precious Metals Portfolio Compartment, less fees and expenses incurred. The returns on Precious Metals Portfolio Limited Recourse Bonds may fluctuate in response to changes in such capital appreciation (if any). Furthermore, the Precious Metals Portfolio Compartment will experience volatility and may decline in a manner that corresponds with the London Fix or London PM Fix for the Precious Metals.

(b) Substantial sales of precious metals by the official sector

The official sector refers to national central banks, other governmental agencies and multi-lateral institutions that buy, sell and hold precious metals, particularly gold, as part of their reserve assets. Most of this metal is static, meaning that it is held in vaults and is not bought, sold, leased or swapped or otherwise mobilised in the open market. If future economic, political or social conditions or pressures were to require members of the official sector to liquidate their gold or other precious metal assets all at once or in an uncoordinated manner, the demand for gold or other precious metals might not be sufficient to accommodate the sudden increase in the supply to the market. Consequently, the price of gold or other Eligible Precious Metals could fall significantly, which would adversely affect the value of the Precious Metals Portfolio Recourse Bonds and consequently the value of the Notes.

(c) Shortage of physical precious metal(s)

Markets for physical precious metals have the potential to suffer from market disruption or volatility caused by shortages. Such events could result in a spike in prices of Eligible Precious Metals.

(d) Correlation in prices of the Eligible Precious Metals and the composition of the Eligible Precious Metals within the Precious Metals Portfolio Compartment

- (i) Palladium is a so called “platinum-group metal” (abbreviated as the PGMs; alternatively, the platinoids, platinides, platidises, platinum group, platinum metals, platinum family or platinum-group elements (**PGEs**)) and is a term used sometimes to collectively refer to six metallic elements clustered together in the periodic table.

The six platinum-group metals are ruthenium, rhodium, palladium, osmium, iridium, and platinum. They have similar physical and chemical properties, and tend to occur together in the same mineral deposits. However they can be further subdivided into the palladium-group platinum-group elements (PPGEs: platinum, palladium and ruthenium) and the iridium-group elements (IPGEs: osmium, iridium and ruthenium) based on their behaviour in geological systems.

With regard to platinum and palladium, there might be a correlation in price development between platinum and palladium. Over the last hundred years there have been significant fluctuations and also significant non-correlation periods.

- (ii) The composition of the Eligible Precious Metals within the Precious Metals Portfolio Compartment change due to market price increase or decrease and to the allocation of the cash proceeds received in respect of the relevant Precious Metals Portfolio Limited Recourse Bonds between different Eligible Precious Metals.

The cash proceeds are used to invest in minimum one Eligible Precious Metal, which is gold. If gold constitutes less than fifty (50) *per cent.* of the entire composition of the Precious Metals Portfolio (as defined in section “*Description of Precious Metals Portfolio Limited Recourse Bonds*“ of the Prospectus), the available net issue proceeds of the Precious Metals Portfolio Limited Recourse Bonds should be used to purchase gold until the fifty (50) *per cent.* threshold is reached and before such proceeds are invested in the other three Eligible Precious Metals (for comparison purposes, the current value of the Eligible Precious Metals held at any given time in the Precious Metals Portfolio is calculated in Euro).

Once any Eligible Precious Metals have been purchased, the value of the component Eligible Precious Metals (and that of the Precious Metals Portfolio as a whole) will inevitably vary from time to time in line with the fluctuation of the market prices. Accordingly, the percentage that each of the Eligible Precious Metals represents in the whole Precious Metals Portfolio cannot be guaranteed over time and Timberland Investment has no obligation to monitor the value of the Eligible Precious Metals in the Precious Metals Portfolio and/or to rebalance the composition of the Precious Metals Portfolio by purchasing and selling the Eligible Precious Metals on an ongoing basis in order to maintain a fixed percentage ratio between the components of the Precious Metals Portfolio.

- (e) Concentration and non-diversification

In the Precious Metals Portfolio Compartment, there may be a concentration of a particular Eligible Precious Metal, especially gold. Accordingly, the Precious Metals Portfolio may be adversely affected by the performance of industries, sectors, or by events that have an impact on the particular Eligible Precious Metal it holds and its production and sale. The Precious Metals Portfolio Compartment will be directly affected by fluctuations in the prices of its component Eligible Precious Metals. It may also be significantly affected by any single economic, market, political or regulatory occurrence. As a result, the value of the Precious Metals Portfolio Compartment may be more volatile than the value of other compartments of Timberland Investment which hold a greater range of assets.

- (f) Specific risks relating to gold – official sector

The official sector, meaning national central banks, other governmental agencies and multi-lateral institutions, holds a significant amount of gold, most of which is static, meaning that it is held in vaults and is not bought, sold, leased or swapped or otherwise mobilised in the open market. If the official sector were to need to sell their gold all at once or in an uncoordinated manner, the sudden increase in supply of gold to the market might outweigh demand. Consequently, the price of gold could fall significantly, which would adversely

affect the value of the Precious Metals Portfolio Limited Recourse Bonds and, consequently, the value of the Notes.

(g) Specific risks relating to silver, platinum and palladium

(i) Volatility of silver

Over the last ten years, silver has tended to be a more volatile metal than gold, platinum or palladium. This is because gold is used by many of its investors as a safe haven or a hedge against inflation and foreign exchange risks, and platinum and palladium is often traded as an industrial metal. Silver, however, is seen as attractive by some investors for similar reasons to gold but a large proportion of demand for silver is also for industrial usage. Silver is therefore exposed to movements in both the investment markets and industrial markets and may consequently be regarded as the most volatile of the four metals.

(ii) Volatility of palladium and market liquidity of palladium

Palladium demand and palladium offer change frequently. Therefore, the palladium price is highly volatile over the last hundred years. That is, it varies considerably, even within short periods of time. The palladium price is traded in dollars and the dollar price is inversely proportional. This means if the US-Dollar decreases, usually the palladium price increases and vice versa.

A significant disadvantage of palladium (compared to the established precious metals like gold, silver or platinum) is the reduced market liquidity, as there is for bullion investment coins of palladium both less supply and less demand. Furthermore the range of financial instruments on palladium is much lower than that for the more established precious metals. This also usually leads to higher margins on the commodity exchanges and coin dealers, which may represent a disadvantage for investors. Potential benefits for long-term investors are less influenced by the price traders and speculators.

Palladium is traded continuously in only a few exchanges. The palladium market is valued in US Dollars, and much smaller of volume than other precious metals markets. In case of much international investment capital into such a small market or in case of much disinvestment, it quickly comes to high price jumps.

(iii) Liquidity of physical platinum and palladium and emerging countries risk

Platinum and Palladium is produced by significantly fewer countries than gold and silver, with the main producer countries being South Africa and Russia. There is consequently a risk that a disruption in supply from one of these countries could affect liquidity in the underlying platinum and palladium market and therefore the spot price of physical platinum and palladium; for example global or regional political, economic or financial events and situations particularly war, terrorism, expropriation or other activities which might lead to disruption to supply from these emerging market countries that are major producer countries of platinum and palladium. A disruption in supply by one of the main supplier countries could therefore have an impact on the value of Precious Metals Portfolio Limited Recourse Bonds. Further, South Africa and Russia are emerging markets and therefore the risk of a disruption to production and supply of platinum and palladium may be greater for these countries than if they were established markets.

(iv) Volatility caused by shortage of physical platinum or palladium

If there were to be a shortage of physical platinum or palladium in the underlying market, this could cause volatility in the price of platinum and also in the value of Precious Metals Portfolio Limited Recourse Bonds.

(v) Industrial demand for silver, platinum and palladium

A higher proportion of overall demand for silver, platinum and palladium than for gold is made up of industrial usages. This may cause its price to fluctuate differently to gold or other precious metals, for which a larger proportion of overall demand is for investment purposes.

(h) Other risks relating to the price of gold, silver, platinum and palladium and auction process for Precious Metals London Price

The calculation of for example the London Gold-, Silver-, Platinum- and Palladium Price (**London Price**) is not an exact process. Rather it is based upon a procedure of matching orders from participants in the auction process and their customers to sell gold, silver, platinum or palladium with orders from participants in the auction process and their customers to buy gold, silver, platinum or palladium at particular prices. The London Gold-, Silver-, Platinum- and Palladium Price does not therefore purport to represent every single buyer or seller of gold, silver, platinum or palladium in the market, nor does it purport to set a definitive price for gold, silver, platinum or palladium at which all orders for sale or purchase will take place on that particular day or time. All orders placed into the auction process by the participants will be executed on the basis of the London Gold-, Silver-, Platinum- and Palladium Price determined (provided that orders may be cancelled, increased or decreased whilst the auction is in progress).

While the auction process used to establish the London Prices are expected to be a transparent and auditable process in accordance with applicable benchmark regulations and are fully established benchmarks and are widely accepted as the basis for pricing spot transactions as well as a variety of other transactions, there is no guarantee that the participants in the auction may not be biased or influenced for their own purposes when participating in the auction or that the auction may not be manipulated and therefore the price fixed may not reflect the fair value. Additionally, the operation of the auction process to determine the London Prices are dependent on the continued operation of CME and Thomson Reuters and their applicable systems. None of the Issuer, Timberland Investment, the Calculation Agent, the Bearer Notes Paying Agent, the Distribution Agent or the Arranger has any control or supervision over the auction process of the London Price so determined or the operation and systems of CME and Thomson Reuters.

The fixing prices for gold and silver are determined by The London Gold Market Fixing Limited and The London Silver Market Fixing Limited, respectively, whereas the fixing prices for platinum are determined by The London Platinum and Palladium Market (LPPM). The London Gold Market Fixing Limited and The London Silver Market Fixing Limited are private companies based in London with five and three member firms respectively. The banks that determine the London PM Fix for gold and the banks that determine the London Fix for silver are each market making member of The London Bullion Market Association (LBMA), being the London-based trade association that represents the wholesale market for gold and silver in London. Likewise, the banks that determine the London PM Fix for platinum are full members of the LPPM, being the trade association for the London and Zurich platinum markets. Whilst most of the member firms of these organisations and associations will hold licences from the UK Financial Conduct Authority in respect of specific regulated activities they may undertake in the course of their various businesses, none of the LBMA, the LPPM, The London Gold Market Fixing Limited, The London Silver Market Fixing Limited nor the fixings processes for the London PM Fix for gold and

platinum and London Fix for silver themselves is subject to the oversight or supervision of any financial regulator.

## 8.2 Custody, insurance and other related risk factors

The custody of Eligible Precious Metals held in the Precious Metals Portfolio Compartment is different to custody arrangements typical for investment in equities and bonds.

The attention of investors is drawn to the following risk factors which relate to the custody arrangements relevant to the Precious Metals Portfolio Compartment:

(a) Custody and insurance risk

The Precious Metals will be held by a Precious Metals Custodian or Precious Metals Sub-Custodian (if any) (both terms as defined in section “*Description of Precious Metals Portfolio Limited Recourse Bonds*” of this Prospectus) at its secure vault premises. Access to the Precious Metals Portfolio Compartment’s Eligible Precious Metals could be restricted by natural events, such as flooding, or human actions, such as terrorist attack. These “force majeure” type events cannot be predicted and are outside the control of the Issuer, Timberland Investment as well the Calculation Agent, the Bearer Notes Paying Agent, the Distribution Agent or the Arranger.

(b) How the purity of the Eligible Precious Metals in the Precious Metals Portfolio Compartment is ensured

Under the London Bullion Market Association (LBMA) London Good Delivery List (in respect of gold and silver) and the London Platinum and Palladium Market (LPPM) London/Zurich Good Delivery List (in respect of platinum and palladium), only metal that meets the stated specifications (the list of which is referred to as “Good Delivery”), for example as to weight and fineness, may be accepted for trading in the London or Zurich precious metal markets. The standards required for platinum and palladium to be included in the London/Zurich Good Delivery List are set out on the LPPM website and the standards required for gold and silver bars to be included in the London Good Delivery List are set out in “The Good Delivery Rules for Gold and Silver Bars” published by the LBMA.

A summary of these appear in the table below:

<b>Precious Metal</b>	<b>Gold</b>	<b>Silver</b>	<b>Platinum</b>	<b>Palladium</b>
Form	bar	bar	Plate or ingot	Plate or ingot
Minimum fineness/ purity	99.5%	99.9%	99.95%	99.95%
Weight	350 oz to 430 oz	750 oz to 1,100 oz	1 kg to 6 kg (32 oz to 192 oz)	1 kg to 6 kg (32 oz to 192 oz)
Measure	fine troy oz	troy oz	troy oz	troy oz

There is a variety of smaller and exact weight bars, plates or ingots are available in the market such as Investment Bars and Kine Bars. The Precious Metals Portfolio Compartment will primarily hold precious metals which are backed by Good Delivery bars for gold and silver and Good Delivery plates and ingots for platinum and palladium or which come from current or former LBMA-listed producers of Investment Bars (if any) and Kine Bars (if any). The Precious Metals Portfolio may also contain Eligible Precious Metals in forms other than those meeting the Good Delivery requirements. A kinebar is a gold bar which contains a kinegram to prove its authenticity. Kinegram is a trademark of OVD Kinegram Corp. (Switzerland). A kinegram is a diffractive security device embossed into a substrate (here gold). It is intended both as a security feature and for visual appeal. Union Bank of

Switzerland, through Argor-Heraeus SA (subsidiary of Commerzbank), has applied the kinegram as a security device to the reverse of its minted bars since December 1993. The kinebar now produced by UBS AG is a registered trade mark of UBS.

For further information please see <http://www.lbma.org.uk/index.html> of the LBMA.

All Eligible Precious Metal in the Precious Metals Portfolio Compartment are held either in the Unallocated Accounts or the Allocated Accounts (both terms as defined in section “*Description of Precious Metals Portfolio Limited Recourse Bonds*“ of this Prospectus, in the form of Good Delivery bars, plates or ingots that will have been required to meet the Good Delivery standards at its point of inclusion on the London Good Delivery List or the London/Zurich Good Delivery List, as appropriate. Amongst other things, the Good Delivery Lists require all relevant precious metals to have been produced by accredited refiners and each bar, plate or ingot must bear the stamp of one of the refiners and assayers who are on the Good Delivery Lists. The Precious Metals Portfolio Compartment will therefore only hold Eligible Precious Metals from approved refiners and assayers included on the LBMA and LPPM Good Delivery Lists of acceptable refiners and assayers of precious metals and which meet the Good Delivery standards for a particular Eligible Precious Metal.

(c) How the Eligible Precious Metals are held with a Precious Metals Custodian

Under the relevant custody agreement entered into by Timberland Investment and a Precious Metals Custodian (the **Precious Metals Custody Agreement**), all Eligible Precious Metals allocated to the Precious Metals Portfolio Compartment will be held in the Precious Metals Custodian’s own secure vault or, from time to time, mostly temporarily in the secure vaults of Precious Metals Sub-Custodians selected and appointed by the Precious Metals Custodian. All of the Eligible Precious Metals in the Precious Metals Portfolio Compartment will be held in Allocated Accounts as Good Delivery bars, plates or ingots, other than amounts which may be held in case of banks within the EU, Switzerland or the United States in Unallocated Accounts. The Eligible Precious Metals will be held and settled in accordance with standards set down by the LBMA (for gold and silver) and the LPPM (for platinum and palladium).

Timberland Investment acting in respect of the Precious Metals Portfolio Compartment has title to the Eligible Precious Metals held in Allocated Accounts, all of which are held as uniquely identifiable bars, plates or ingots of metal, bearing the refiner’s brand and unique serial number, and which are physically segregated from other metal held in the Precious Metals Custodian and, where relevant, Precious Metals Sub-Custodian’s secure vaults. Any Eligible Precious Metal held by a Precious Metals Sub-Custodian shall only be held on the Precious Metals Custodian’s behalf on an allocated basis.

Only a proportion of Eligible Precious Metals (representing either (i) an amount not sufficient for a Good Delivery bar, plate or ingot, (ii) Eligible Precious Metals received from an Unallocated Account which has not yet been allocated by the Precious Metals Custodian to the relevant Allocated Account, or (iii) Eligible Precious Metals which has been de-allocated from the relevant Allocated Account for purposes of redeeming of Precious Metals Portfolio Limited Recourse Bonds or paying costs of the Precious Metals Portfolio Compartment (if applicable) will be held in the relevant Unallocated Account with the Precious Metals Custodian.

Eligible Precious Metals held in unallocated form are not physically segregated by the Precious Metals Custodian from other metal held by it and do not entitle Timberland Investment to specific bars, plates or ingots but give it the right to require the delivery of the relevant amount of Eligible Precious Metals. Likewise, a broker or dealer used by Timberland Investment to purchase or sell Eligible Precious Metals (a **Participating**

**Dealer**), which typically is, but may not be, the same entity or an entity belonging to the same group of companies as the Precious Metals Custodian or Precious Metals Sub-Custodian(if any), may not request the delivery of specific bars, plates or ingots on redemption.

(d) Use of Precious Metals Sub-Custodian by a Precious Metals Custodian

Precious Metals Sub-Custodians (if any) selected and appointed by a Precious Metals Custodian may, from time to time, temporarily hold (at their own cost) the Eligible Precious Metals allocated to the Precious Metals Portfolio Compartment until such Eligible Precious Metals are transported to the Precious Metals Custodian's own vault (at the Precious Metals Custodian's cost). Precious Metals Sub-Custodians have typically no written contractual relationship with Timberland Investment as such arrangements are traditionally based on the relevant LBMA or LPPM's rules and on the customs and practices of the London and Zurich bullion markets. The relevant Precious Metals Custodian is liable for transfers of Eligible Precious Metals to its vault from a Precious Metals Sub-Custodian's vault (if applicable).

However, there is a risk that, while in custody of a Precious Metals Sub-Custodians, the Eligible Precious Metals could be lost, stolen or damaged and Timberland Investment may incur a loss in such unlikely events. Under English and Swiss law in particular, Timberland Investment may not have a claim for a breach of contract against the relevant Precious Metals Sub-Custodian for losses relating to the safekeeping of Eligible Precious Metals.

Under the relevant Precious Metals Custody Agreement, however, a Precious Metals Custodian has a duty to exercise reasonable care and diligence in the selection, appointment and ongoing monitoring of one or more Precious Metals Sub-Custodian(s) (if any) and to satisfy itself that they remain suitably qualified and competent. None of the Issuer, Timberland Investment, the Calculation Agent, the Bearer Notes Paying Agent, the Distribution Agent or the Arranger undertakes to monitor the performance of any Precious Metals Sub-Custodian.

(e) Insurance agreements (if any) in respect of the Eligible Precious Metals held in the Precious Metals Portfolio Compartment

None of the Issuer, Timberland Investment, the Calculation Agent, the Bearer Notes Paying Agent, the Distribution Agent or the Arranger will maintain insurance for the Eligible Precious Metals held in the Precious Metals Portfolio Compartment. After receipt of the Eligible Precious Metals in the relevant Unallocated Account or Allocated Account, the Precious Metals Custodian shall be responsible for the safety of the Eligible Precious Metals held by it; however its liability as well the liability of the Precious Metals Sub-Custodian (if any) is limited under the relevant Precious Metals Custody Agreement to losses that are directly caused by its own negligence, fraud or wilful default in the performance of its duties under such agreement. The Precious Metals Custodian will generally maintain insurance in relation to its business on such terms as it considers appropriate. The Precious Metals Custodian typically regularly review their insurance coverage to ensure that it remains sufficient and appropriate and they responsible for all costs, fees and expenses arising from the insurance policy or policies, however it is under no obligation to take out specific insurance in respect of the Eligible Precious Metals held in the Precious Metals Portfolio Compartments. Timberland Investment is not a beneficiary of any such general insurance taken out by the Precious Metals Custodian and does not have the ability to dictate the existence, nature or amount of coverage. Therefore, Noteholders cannot be assured that the Precious Metals Custodian maintains adequate insurance or any insurance with respect to the Eligible Precious Metals held by the Precious Metals Custodian or a Precious Metals Sub-Custodian (if any) appointed by it on behalf of Timberland Investment.

In a situation where an Eligible Precious Metal is lost, damaged or stolen whilst held by a Precious Metals Sub-Custodian (otherwise than as a direct result of the Precious Metals Custodian's negligence, fraud or wilful default under the relevant Precious Metals Custody Agreement, its fraud, negligence or bad faith in selecting, appointing and ongoing monitoring of the Precious Metals Sub-Custodian (if any) or its failure to satisfy itself that the sub-custodian remained suitably qualified and competent), there is therefore a risk to Timberland Investment and, consequently, to the Precious Metals Portfolio if the Precious Metals Custodian or a Precious Metals Sub-Custodian (if any) does not make good this loss.

None of the Issuer, Timberland Investment, the Calculation Agent, the Bearer Notes Paying Agent, the Distribution Agent or the Arranger makes any assurance that Bullion held in an Allocated Account or an Unallocated Account (if any) will be covered by the Precious Metals Custodian or the Precious Metals Sub-Custodian's (if any) insurance.

Timberland Investment acting in respect of the Precious Metals Portfolio Compartment has no direct contractual relationship with any of the Precious Metals Sub-Custodians. Accordingly, it has no rights to instruct any Precious Metals Sub-Custodian. Its only rights are, in certain circumstances, to instruct the Precious Metals Custodian. Timberland Investment acting in respect of the Precious Metals Portfolio Compartment does not have the ability to dictate the existence, nature or amount of coverage of the Precious Metals Custodian's insurance. It is therefore possible that the Precious Metals Custodian may not maintain adequate insurance with respect to the Eligible Precious Metals held by it on behalf of or credited to the accounts of Timberland Investment. Consequently, a loss may be suffered by Timberland Investment with respect to Eligible Precious Metals which are not covered by insurance.

(f) Insolvency of the Precious Metals Custodian or a Precious Metals Sub-Custodian (if any)

If the Precious Metals Custodian or a Precious Metals Sub-Custodian (if any) becomes insolvent, the Eligible Precious Metals in the Precious Metals Portfolio Compartment held on an allocated basis in any Allocated Accounts are ring-fenced and belong to Timberland Investment. Accordingly, even if the Precious Metals Custodian or Precious Metals Sub-Custodian's assets may not be adequate to satisfy the claims of its creditors, the assets of the Precious Metals Portfolio Compartment should be segregated and recoverable. However, upon an insolvency of the Precious Metals Custodian or a Precious Metals Sub-Custodian (if any), there is still a risk of delay and costs incurred in identifying any Eligible Precious Metals held in an allocated account.

In addition, Timberland Investment and/or the auditors of the Precious Metals Portfolio Compartment may, but are not required to, undertake in their sole discretion visits on their own to the Precious Metals Custodian or Precious Metals Sub-Custodians (if any) or sub-delegate such visits to an independent third party, including but not limited to Bureau Veritas Group a.o. For further information on Bureau Veritas Group please see [http://www.bureauveritas.com/wps/wcm/connect/bv\\_com/group/home/about-us](http://www.bureauveritas.com/wps/wcm/connect/bv_com/group/home/about-us).

Timberland Investment will rely upon the Precious Metals Custodian or its Precious Metals Sub-Custodians (if any) to properly allocate the Eligible Precious Metals. If such allocation had not been done or had been done incorrectly, Timberland Investment would rank as unsecured creditor in respect of such unallocated Eligible Precious Metals in the event of the Precious Metals Custodian's insolvency.

In addition, the Precious Metals Custodian or its Precious Metals Sub-Custodians (if any) will not be liable for any delay in performance or any non-performance of any of its obligations by reason of any cause beyond its reasonable control, including acts of God, war or terrorism. As a result, the recourse of Timberland Investment is limited.



Where Eligible Precious Metals are held by one or more Precious Metals Sub-Custodians appointed by the Precious Metals Custodian, except for an obligation on the part of the Precious Metals Custodian under the relevant Precious Metals Custody Agreement to use commercially reasonable efforts to obtain delivery of the Eligible Precious Metals from any Precious Metals Sub-Custodians appointed by it to any other Precious Metals Sub-Custodian, the Precious Metals Custodian is not liable for the acts or omissions of its Precious Metals Sub-Custodians (if any) unless the selection, appointment and ongoing monitoring of such Precious Metals Sub-Custodians was made fraudulently, negligently or in bad faith, it failed to satisfy itself that the relevant Precious Metals Sub-Custodian remained suitably qualified and competent, or as otherwise provided under the terms of the Precious Metals Custodian's appointment, which may be amended from time to time.

In the event of a legal dispute with respect to or arising from such arrangements, it may be difficult to define such customs and practices. A Precious Metals Custodian and the LBMA and LPPM market-making members that provide bullion vaulting and clearing services have agreed to be bound by certain rules governing the operation of bullion clearing by members. If the Precious Metals Custodian enters into a dispute with a Precious Metals Sub-Custodian who is also a LBMA or LPPM market-making member over an issue subject to the applicable rules, and the dispute cannot be resolved between them, they will submit their grievances to another mutually agreed LBMA or LPPM member (as applicable) to seek a resolution. If the dispute is not resolved, it will be passed to the directors of the London Precious Metals Clearing Ltd for consideration. If the directors are unable to resolve the dispute, it will finally be submitted for binding arbitration under the Rules of the London Court of International Arbitration. The LBMA's and LPPM's rules may be subject to change outside the control of Timberland Investment. If the Eligible Precious Metals allocated to the Precious Metals Portfolio Compartment are lost or damaged while in the custody of a Precious Metals Sub-Custodian, Timberland Investment may not have a claim for a breach of contract against the Precious Metals Sub-Custodian under the law of the jurisdiction where the Precious Metals Sub-Custodian is located, and may not be able to recover damages from the Precious Metals Custodian or the relevant Precious Metals Sub-Custodian. For the avoidance of doubt, a Precious Metals Sub-Custodian may, but does not have to be, an LBMA or LPPM market-making member. The above-mentioned rules apply only to LBMA or LPPM market-making members.

The obligations of the Precious Metals Custodian under the relevant Precious Metals Custody Agreement with Timberland Investment or any Precious Metals Sub-Custodian under the relevant custody agreement with the Precious Metals Custodian may be governed by law of one or more jurisdictions, especially the laws of Luxemburg, Germany and/or UK, Switzerland and the United States of America. The Precious Metals Custodian may enter into arrangements with Precious Metals Sub-Custodians, which arrangements may or may not be governed by the same law as the law which governs the relevant Precious Metals Custody Agreement between Timberland Investment and the Precious Metals Custodian. Such disparity of governing law may or may not lead into legal disadvantage for Timberland Investment and negatively affect the Precious Metals Portfolio Limited Recourse Bonds. In addition, it may be difficult, time consuming and/or expensive for Timberland Investment to enforce in a foreign court a judgment.

If any Eligible Precious Metals in the Precious Metals Portfolio Compartment are lost, damaged, stolen or destroyed under circumstances rendering a party liable to Timberland Investment, the responsible party may not have the financial resources sufficient to satisfy Timberland Investment's claim(s). For example, as to a particular event of loss, the only source of recovery for Timberland Investment might be limited to the Precious Metals Custodian or one or more Precious Metals Sub-Custodians or, to the extent identifiable, other responsible third parties (e.g., a thief or terrorist), any of which may not have the financial resources (including liability insurance coverage) to satisfy a valid claim of Timberland Investment.

(g) Other risks

Eligible Precious Metals allocated to the Precious Metals Portfolio Compartment may not be of the required standard. None of the Issuer, Timberland Investment, the Calculation Agent, the Bearer Notes Paying Agent, the Distribution Agent or the Arranger independently confirms the fineness of the Eligible Precious Metals allocated to the Precious Metals Portfolio Compartment. The Eligible Precious Metals delivered to Timberland Investment by the Precious Metals Custodian or any Participating Dealer may be different from the reported fineness or weight required by the LBMA or LPPM's standards for the relevant Eligible Precious Metals delivered in settlement of a trade in gold, silver, platinum or palladium, or the Good Delivery standards and/or the standards required for the Precious Metals Portfolio Compartment. In other words, if the Precious Metals Custodian does not replace any bar, plate or ingot that does not meet the Good Delivery specifications, Timberland Investment may suffer in such an unlikely event a loss.

Furthermore, Timberland Investment may have no right to visit the premises of any Precious Metals Sub-Custodian for the purposes of examining the Eligible Precious Metals allocated to the Precious Metals Portfolio Compartment or any records maintained by the Precious Metals Sub-Custodians, and no Precious Metals Sub-Custodian will be obligated to cooperate in any review with Timberland Investment and/or its auditors who may wish to conduct a review of the facilities, procedures, records or creditworthiness of such sub-custodians.

If any Precious Metals Sub-Custodian does not exercise due care in the safekeeping of the Eligible Precious Metals, the ability of Timberland Investment and of the Precious Metals Custodian itself to recover damages from such Precious Metals Sub-Custodian may be limited to only such recourse, if any, as may be available under applicable law of the jurisdiction where the Precious Metals Sub-Custodian is located.

In the case of the insolvency of a Precious Metals Custodian, a liquidator may seek to freeze access to the Eligible Precious Metals held in all of the accounts held by the Precious Metals Custodian and/or its Precious Metals Sub-Custodians (if any), including the Allocated Accounts and Unallocated Accounts. Although Timberland Investment would be able to claim ownership of properly allocated Eligible Precious Metals, Timberland Investment could incur expenses in connection with asserting such claims, and the assertion of such a claim by the liquidator could delay subscriptions for and redemptions of Precious Metals Portfolio Limited Recourse Bonds and the Notes.

(h) Counterparty Risk

Deposits of cash with any custodian, bank or financial institution (hereinafter, **custodian or depository**) or of unallocated Eligible Precious Metals with the Precious Metals Custodian will carry counterparty risk as the relevant custodian or depository may be unable to perform their respective obligations due to credit-related and other events like insolvency of or default of them. In these circumstances, Timberland Investment may be required to unwind certain transactions and may encounter delays of some years and difficulties with respect to court procedures in seeking recovery of the Eligible Precious Metals allocated to the Precious Metals Portfolio Compartment. With regard to a Precious Metals Custodian, other than during the subscription or redemption processes where Eligible Precious Metals will be transferred to or from the Unallocated Account(s), typically only a small proportion of the Eligible Precious Metals in the Precious Metals Portfolio Compartment will be maintained by the Precious Metals Custodian in the Unallocated Accounts (if any).

Unless it fails to fulfil its obligations to so allocate, most of the Eligible Precious Metals in the Precious Metals Portfolio Compartment should be fully allocated to the Allocated Account and so should be protected in the event of the insolvency of a Precious Metals

Custodian (although there may still be delays in obtaining delivery of the relevant Bullion in these circumstances). However, in respect of Timberland Investment's Unallocated Accounts held with the Precious Metals Custodian, Timberland Investment may, in the event of the insolvency of the Precious Metals Custodian, rank as unsecured creditor.

## OVERVIEW OF THE PARTIES

*The following is an overview of the principal parties to the transaction described in this Prospectus. The information in this section does not purport to be complete. This overview should be read as an introduction to, and in conjunction with, and is qualified in its entirety by reference to, the detailed information appearing elsewhere in this Prospectus. Prospective investors in the Notes should base any decision to invest in the Notes on consideration of this Prospectus as a whole.*

### THE PARTIES

#### **Timberland Securities SPC**

Timberland Securities SPC, an exempted limited liability company established under the laws of the Cayman Islands and registered as a segregated portfolio company, having its registered office at Queensgate House, PO Box 1093, Grand Cayman KY1-1102, Cayman Islands (the **Company**), and acting for the account of the Portfolios (the **Issuer**). The Company created the Portfolios as separate segregated portfolios in respect of the relevant Notes, to which all the assets and liabilities in relation to the relevant Notes will be allocated. The Issuer will use the net proceeds from the sale of the Notes to acquire the Underlying Securities issued by Timberland Investment SA.

#### **Timberland Investment SA**

Timberland Investment SA, a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg, having its registered office at 46A, avenue J.F. Kennedy L-1855 Luxembourg, registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*) under number B 178.756 (**Timberland Investment**), and subject, as an unregulated securitisation undertaking, to the provisions of the Securitisation Act 2004. Timberland Investment will issue Equity Portfolio Limited Recourse Bonds, Bonds Portfolio Limited Recourse Bonds, Precious Metals Portfolio Limited Recourse Bonds and Currency Portfolio Limited Recourse Bonds, in which the Issuer will invest the net issue proceeds of the relevant Notes.

#### **Calculation Agent**

Oaklet GmbH, Bettinastrasse 61, 60325, Frankfurt am Main, Germany.

#### **Bearer Notes Paying Agent, Issuer Account Bank and Listing Agent**

Société Générale Bank & Trust S.A., 11, avenue Emile Reuter L-2420 Luxembourg.

#### **Custodian**

Société Générale Bank & Trust S.A., 11, avenue Emile Reuter L-2420 Luxembourg.

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

Alter Domus Fund Services (Malta) Limited, Vision Exchange Building, Territorials Street, Mriehel BKR 3000, Malta.

#### **Collecting Bank**

Commerzbank AG, Am Kaiserplatz, D-60311 Frankfurt am Main and its affiliated subsidiaries or correspondent banks in each Public Offer Jurisdiction.

**Distribution Agent**

Timberland Invest Ltd., Aragon House, St. George`s Park,  
MT-St. Julian`s STJ 3140.

**Arranger**

Timberland Securities Investment Ltd., Aragon House, St.  
George`s Park, MT-St. Julian`s STJ 3140.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been previously published and filed with the FMA, shall be incorporated by reference in, and form part of, this Prospectus:

- (a) the Company Articles as of 15 January 2015;
- (b) the articles of association of Timberland Investment as of 18 July 2013 (the **Timberland Investment Articles**);
- (c) Timberland Investment's annual accounts for the financial period from 18 July 2013 (date of incorporation) to 30 June 2014 drawn up in the English language (the **Timberland Investment Financial Statements**); and
- (d) The independent auditor's report in respect of the Timberland Investment Financial Statements (the **Timberland Investment Audit Report**).

The documents incorporated by reference, as well as this Prospectus, are available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The following information appears on the pages of the Timberland Investment Financial Statements as set out below:

Audit report	Please see Timberland Investment Audit Report
Balance sheet	Page 4
Profit and loss accounts	Page 5
Notes to the accounts	Pages 6 to 9

## USE OF PROCEEDS AND CASH FLOWS

All Notes issued by the Issuer and not subscribed for by investors on their respective issue dates will be subscribed for by the Issuer for no consideration and held by it for sale on the secondary market during the Offer Period (as defined in section “*Offer to the Public*” of this Prospectus). With regard to such Notes, no cash will be allocated to the relevant Portfolio until they are sold by the Issuer to investors during the Offer Period. All rights attached to the Notes held by the Issuer itself (such as, voting rights and financial rights) are suspended pursuant to article 1300 of the Luxembourg civil code and all provisions in this Prospectus must be read accordingly.

Information on the calculation of the maximum net proceeds that the Issuer may obtain from the issue and sale of each series of Notes is set out in section “Subscription for Notes” of this Prospectus.

The Issuer will use the respective net proceeds from the sale of the Bearer Notes and the Registered Notes (after deduction of the Commissions and Expenses (as defined below)) during the Offer Period to subscribe for or acquire, promptly upon such sale, Underlying Securities issued by Timberland Investment in accordance with the following splits:

	Equity Portfolio Limited Recourse Bonds	Bonds Portfolio Limited Recourse Bonds	Precious Metals Portfolio Limited Recourse Bonds	Currency Portfolio Limited Recourse Bonds	Top-10 Portfolio Limited Recourse Bonds
Optimix A Notes	70%*	15%*	15%*	0%*	0%*
Optimix B Notes	60%*	20%*	20%*	0%*	0%*
Optimix C Notes	50%*	25%*	25%*	0%*	0%*
Precious Metals Notes	0%*	0%*	100%*	0%*	0%*
Currency Funds Notes	0%*	10%*	0%*	90%*	0%*
Top-10 Notes	0%*	10%*	0%*	0%*	90%*

\* approximate value

**Commissions and Expenses** means, in respect of each Note, the sum of (i) the Upfront Fee, (ii) the Internal Commission, (iii) the amount equal to two (2) per cent. of the Adjusted Nominal Value as of the Subscription Date which will be allocated to the Cash Ledger and (iv) the Arranger Fee (all relevant terms as defined in the Conditions).

The net issue proceeds of the Equity Portfolio Limited Recourse Bonds are used by Timberland Investment to subscribe for or otherwise acquire Fund Shares which become part of the Equity Portfolio (as described in section “*Description of Equity Portfolio Limited Recourse Bonds*” of the Prospectus).

The net issue proceeds of the Bonds Portfolio Limited Recourse Bonds are used by Timberland Investment to subscribe for or otherwise acquire Eligible Bonds which become part of the Bonds Portfolio (as described in section “*Description of Bonds Portfolio Limited Recourse Bonds*” of the Prospectus).

The net issue proceeds of the Precious Metals Portfolio Limited Recourse Bonds are used by Timberland Investment to purchase Eligible Precious Metals which become part of the Precious Metals Portfolio (as described in section “*Description of Precious Metals Portfolio Limited Recourse Bonds*” of the Prospectus).

The net issue proceeds of the Currency Portfolio Limited Recourse Bonds are used by Timberland Investment to subscribe for or otherwise acquire Eligible Fund Shares which become part of the Currency Portfolio (as described in section “*Description of Currency Portfolio Limited Recourse Bonds*” of the Prospectus).

The amount of the Underlying Securities to be subscribed by the Issuer will depend on the net proceeds from the sale of the Bearer Notes and the Registered Notes during the Offer Period. The Issuer will subscribe to further Underlying Securities in case Notes issued and held by the Issuer are sold to investors during the Offer Period.

While subscribing for, or otherwise acquiring the Notes, Noteholders will gain exposure to the performance (positive or negative) of the Underlying Securities, which in turn depends on the performance (positive or negative) of the Equity Portfolio, the Bonds Portfolio, the Precious Metals Portfolio and the Currency Portfolio (as applicable).

The obligations under the Equity Portfolio, the Bonds Portfolio, the Precious Metals Portfolio and the Currency Portfolio are unsecured. Hence, there is no level of collateralisation as regards such obligations. The concept of loan to value ratio is not applicable with respect to the repacking of the Equity Portfolio, the Bonds Portfolio, the Precious Metals Portfolio and the Currency Portfolio.

The Issuer is not entitled to regular payments under the Underlying Securities. However, in order to generate and collect payments under the Underlying Securities for any payment of Costs and the feeding of the Cash Ledger, the Issuer may at its option sell or ask for the redemption of all or part of the Underlying Securities held by it any time prior their stated maturity date. For the avoidance of doubt, Timberland Investment shall only be obliged to make any payments to the Issuer in respect of the Underlying Securities if, and only to the extent that, the corresponding amounts are available for this purpose in the Equity Portfolio Compartment, the Bonds Portfolio Compartment, the Precious Metals Portfolio Compartment and the Currency Portfolio Compartment (as applicable) in accordance with the respective terms and conditions of the Underlying Securities. Such amounts shall be made available by Timberland Investment via the redemption, disposal or enforcement (as applicable) of the relevant portion of the non-cash Equity Portfolio Underlying, Bonds Portfolio Underlying, Precious Metals Portfolio Underlying and Currency Portfolio Underlying.

It should be noted that a certain amount of cash received by the Issuer in connection with the issue and sale of Notes or, if necessary, the redemption of part of the Underlying Securities (as provided for in the relevant Conditions) will be set aside and recorded by the Issuer in the Cash Ledger to be used for the payment of Costs (all relevant terms as defined in the respective Conditions of the Notes).

Except in the event of any early redemption of the Notes, following the deduction of any amounts to be deducted as may be required to pay any outstanding Costs (as provided for in the relevant Conditions), proceeds (if any) received by the Issuer from Timberland Investment under the Underlying Securities will be either retained by the Issuer in the Portfolio or re-invested in further Underlying Securities before the Notes are redeemed in accordance with the applicable Conditions.



Pursuant to the respective Conditions of the Notes, the Issuer will redeem the Notes (i) by paying the Redemption Amount in respect of each Note to be redeemed on the Early Redemption Date or the Maturity Date or (ii) by paying the Optional Redemption Amount in respect of each Note to be redeemed on the Optional Redemption Date or in connection with an Event of Default (all defined terms have the meanings given to them in the relevant Conditions of the Notes). For the avoidance of doubt, the Issuer shall only be obliged to make any payments to the Noteholders under the Notes if, and only to the extent that, the Issuer has received the relevant amounts in respect of the Relevant Underlying Securities (as defined in the relevant Conditions). No credit enhancements have been put into place regarding the Notes.

The Issuer believes that the Underlying Securities have characteristics that demonstrate capacity to produce the monies to service any payments due and payable on the Notes in accordance with their respective Conditions.

For details regarding the Notes and the Underlying Securities, and more specifically potential liquidity shortfalls, please see the sections of this Prospectus entitled "*Risk Factors*", "*Conditions of the Bearer Notes*", "*Conditions of the Registered Notes*", and "*Description of the Equity Portfolio Limited Recourse Bonds*", "*Description of the Bonds Portfolio Limited Recourse Bonds*", "*Description of the Precious Metals Portfolio Limited Recourse Bonds*" and "*Description of the Currency Portfolio Limited Recourse Bonds*".

## SUBSCRIPTION FOR NOTES

### 1. REGISTERED NOTES

Any terms and expressions not expressly defined in this section shall have the meaning given to such terms and expressions in the Registered Notes Conditions.

On 27 August 2015, a first tranche of EUR150,000,000 Registered Notes was issued by the Issuer. The Issuer may from time to time, without the consent of the Registered Noteholders, create and issue further tranches of Registered Notes, provided that the aggregate number of all Registered Notes of all tranches that have been or will be offered under the Prospectus does not exceed EUR3,000,000,000. Any Registered Notes so issued will be subject in all respects to the same Registered Notes Conditions as the outstanding Registered Notes except for the Issue Date, so that such further Registered Notes shall be consolidated and form a single series with the outstanding Registered Notes, and references to the Registered Notes shall be construed accordingly.

Any Registered Note issued but not subscribed for by investors on the Issue Date will be subscribed for by the Issuer for no consideration and held by it for sale on the secondary market during the Offer Period (as defined in section “*Offer to the Public*” of this Prospectus). So long as any Registered Notes are held by the Issuer, any rights attached to such Registered Notes (such as financial rights and voting rights) will be suspended. All outstanding Registered Notes still held by the Issuer after the expiry of the Offer Period will be cancelled forthwith.

Each investor in the Registered Notes which pays the Subscription Price in Euro will, when subscribing for the Registered Notes offered by the Issuer, pay the amount to be invested in the Registered Notes to an account held with Commerzbank AG (the **Collecting Bank**) in the name and on behalf of the Issuer. Upon instruction of the Issuer, the Collecting Bank will transfer the subscription monies to the Issuer Account held with Société Générale Bank & Trust S.A. (the **Issuer Account Bank**) (any amount credited to an Issuer Account being referred to hereafter as the **Issuer Account Credit Amount**). The amount of Registered Notes to be allocated to each investor will be determined on the Subscription Date by dividing the Issuer Account Credit Amount by the Subscription Price. Such amount will be rounded down to the nearest integral multiple of 1 (one) (this amount being referred to hereafter as the **Total Amount of Notes**). The Total Amount of Notes multiplied by the Subscription Price will equal the aggregate Euro amount of Registered Notes subscribed by the relevant investor (this amount being referred to hereafter as the **Total Subscription Amount**). The remainder between the Issuer Account Credit Amount and the Total Subscription Amount (if any) will be reimbursed to the relevant investor.

Each investor in the Registered Notes which pays the Subscription Price in a currency other than Euro (a **Foreign Currency**) will, when subscribing for the Registered Notes offered by the Issuer, pay the amount to be invested in the Registered Notes in such Foreign Currency to an account held with a local branch of the Collecting Bank or an affiliated subsidiary or correspondent bank of the Collecting Bank in the relevant jurisdiction (each being referred to hereafter as a **Branch**) in the name and on behalf of the Issuer. The relevant Branch will transfer the subscription monies to an account of the Issuer held with the Collecting Bank. Upon instruction of the Issuer, the Collecting Bank will immediately convert the subscription monies into a Euro amount (the **Euro Amount**) taking into consideration the then applicable spot rate. Upon instruction of the Issuer, the Collecting Bank will transfer the Euro Amount to the Issuer Account held with the Issuer Account Bank. The amount of Registered Notes to be allocated to each investor will be determined on the Subscription Date by dividing the Issuer Account Credit Amount by the Subscription Price. Such amount will be rounded down to the nearest integral multiple of 1 (one). The Total Amount of Notes multiplied by the Subscription Price will equal the aggregate Euro amount of Registered Notes subscribed by the relevant investor. The remainder between the Issuer Account Credit Amount and the Total Subscription Amount (if any) will be reimbursed to the relevant investor.

The maximum net proceeds that the Issuer may obtain from the sale of each Registered Note during the Offer Period will depend on the net asset value of the Portfolio as of the Subscription Date and shall be equal to (A) the Subscription Price minus (B) the Commissions and Expenses not exceeding twenty-two (22) *per cent.* of the Adjusted Nominal Value as of the Subscription Date. **Commissions and Expenses** means, in respect of each Registered Note, the sum of (i) the Upfront Fee, (ii) the Internal Commission, (iii) the amount equal to two (2) *per cent.* of the Adjusted Nominal Value as of the Subscription Date which will be allocated to the Cash Ledger and (iv) the Arranger Fee.

In the case of each Registered Note subscribed for or otherwise purchased by an investor, the amount applied by the Issuer towards the purchase of the Underlying Securities shall be equal to the Registered Note Contribution.

The Arranger on behalf of the Issuer will regularly inform the Noteholders about the number of Registered Notes issued for no consideration or subscribed for by investors during the Offer Period by publishing the relevant information on its website ([www.timberland-securities.com](http://www.timberland-securities.com)). Such information is available free of charge, subject to prior registration on the website. The Issuer will notify the FMA of the result of the offering of Registered Notes at the end of the Offer Period.

## 2. BEARER NOTES

Any terms and expressions not expressly defined in this section shall have the meaning given to such terms and expressions in the Bearer Notes Conditions.

On 27 August 2015, a first tranche of EUR150,000,000 Bearer Notes was issued by the Issuer. The Issuer may from time to time, without the consent of the Bearer Noteholders, create and issue further tranches of Bearer Notes, provided that the aggregate number of all Bearer Notes of all tranches that have been or will be offered under the Prospectus does not exceed EUR3,000,000,000. Any Bearer Notes so issued will be subject in all respects to the same Bearer Notes Conditions as the outstanding Bearer Notes except for the Issue Date, so that such further Bearer Notes shall be consolidated and form a single series with the outstanding Bearer Notes, and references to the Bearer Notes shall be construed accordingly.

Any Bearer Note issued but not subscribed for by investors on its issue date will be subscribed for by the Issuer for no consideration and held by it for sale on the secondary market during the Offer Period (as defined in section “*Offer to the Public*” of this Prospectus). So long as any Bearer Notes are held by the Issuer, any rights attached to such Bearer Notes (such as financial rights and voting rights) will be suspended. All outstanding Bearer Notes still held by the Issuer after the expiry of the Offer Period will be cancelled forthwith.

Each investor in the Bearer Notes which pays the Subscription Price in Euro will, when subscribing for the Bearer Notes offered by the Issuer, arrange for the payment of the amount to be invested in the Bearer Notes to the Issuer Account held with the Issuer Account Bank. The amount of Bearer Notes to be allocated to each investor will be determined on the Subscription Date by dividing the Issuer Account Credit Amount by the Subscription Price. Such amount will be rounded down to the nearest integral multiple of 1 (one). The Total Amount of Notes multiplied by the Subscription Price will equal the aggregate Euro amount of Bearer Notes subscribed by the relevant investor. The remainder between the Issuer Account Credit Amount and the Total Subscription Amount (if any) will be reimbursed to the relevant investor

Each investor in the Bearer Notes which pays the Subscription Price in a Foreign Currency will, when subscribing for the Bearer Notes offered by the Issuer, arrange for the payment of the amount to be invested in the Bearer Notes in such Foreign Currency to an account held with a Branch in the name and on behalf of the Issuer. The relevant Branch will arrange for the transfer of the subscription monies to an account of the Issuer held with the Collecting Bank. Upon instruction of the Issuer, the Collecting Bank will immediately convert the subscription monies into a Euro Amount taking into consideration the then applicable spot rate. Upon instruction of the Issuer, the

Collecting Bank will transfer the Euro Amount to the Issuer Account held with the Issuer Account Bank. The amount of Bearer Notes to be allocated to each investor will be determined on the Subscription Date by dividing the Issuer Account Credit Amount by the Subscription Price. Such amount will be rounded down to the nearest integral multiple of 1 (one). The Total Amount of Notes multiplied by the Subscription Price will equal the aggregate Euro amount of Bearer Notes subscribed by the relevant investor. The remainder between the Issuer Account Credit Amount and the Total Subscription Amount (if any) will be reimbursed to the relevant investor.

The maximum net proceeds that the Issuer may obtain from the sale of each Bearer Note during the Offer Period will depend on the net asset value of the Portfolio as of the Subscription Date and shall be equal to (A) the Subscription Price minus (B) the Commissions and Expenses not exceeding twenty-two (22) *per cent.* of the Adjusted Nominal Value as of the Subscription Date. **Commissions and Expenses** means, in respect of each Bearer Note, the sum of (i) the Upfront Fee, (ii) the Internal Commission, (iii) the amount equal to two (2) *per cent.* of the Adjusted Nominal Value as of the Subscription Date which will be allocated to the Cash Ledger and (iv) the Arranger Fee.

In the case of each Bearer Note subscribed for or otherwise purchased by an investor, the amount applied by the Issuer towards the purchase of the Underlying Securities shall be equal to the Bearer Note Contribution.

The Issuer will regularly inform the Noteholders about the number of Bearer Notes issued for no consideration or subscribed for by investors during the Offer Period by publishing the relevant information on its website ([www.timberland-securities.com](http://www.timberland-securities.com)). Such information is available free of charge, subject to prior registration on the website. The Issuer will notify the FMA of the result of the offering of Bearer Notes at the end of the Offer Period.

## CONDITIONS OF THE OPTIMIX A BEARER NOTES

*If Bearer Notes are issued in definitive form, the terms and conditions of Bearer Notes (the **Conditions** and each a **Condition**) will be as set out below. The Conditions will be endorsed on each definitive Bearer Note if Bearer Notes in definitive form are issued. While Bearer Notes remain in global form, the same terms and conditions govern Bearer Notes.*

The Series B2 Optimix A Limited Recourse 2015 Bearer Notes (the **Bearer Notes**, which expression shall in these terms and conditions of the Bearer Notes (the **Conditions** and each a **Condition**), unless the context otherwise requires, include any further bearer notes issued pursuant to Condition 14 (*Further Issues*)), having the aggregate nominal value not exceeding EUR500,000,000, are issued by Timberland Securities SPC, an exempted limited liability company established under the laws of the Cayman Islands and registered as a segregated portfolio company, having its registered office at Queensgate House, PO Box 1093, Grand Cayman KY1-1102, Cayman Islands (the **Company**) and acting for the account of its Optimix A SP (the **Issuer**).

In these Conditions, references to the Issuer may, as the case may be, be references to the Company and vice versa.

### 1. DEFINITIONS

**Adjusted Nominal Value** means, in respect of each Bearer Note, the amount calculated daily by the Calculation Agent by reference, among other things, to the net asset value of the Underlying and published on each Business Day by the Calculation Agent on the Issuer's website ([www.timberland-securities.com](http://www.timberland-securities.com)), provided that in the case of the very first Bearer Notes subscribed for or purchased by (as the case may be) an external investor the Adjusted Nominal Value shall be equal to the Initial Nominal Value.

**Arranger** means Timberland Securities Investment Ltd.

**Arranger Fee** means, in respect of each Bearer Note, a fee of five (5) *per cent.* of the Adjusted Nominal Value as of the Subscription Date payable by the Issuer to the Arranger for its role in arranging the issuance of Bearer Notes.

**Arranger Pre-funded Amounts** means all amounts, fees and costs relating to, among other things, the structure set-up, the creation, operation or liquidation of the Portfolio and the issue or the redemption of the Portfolio Notes that have been prefunded by the Arranger from time to time and have to be repaid by the Issuer to the Arranger, such amounts, fees and costs to be amortised before the Maturity Date.

**Bearer Note Contribution** means, in respect of each Bearer Note:

(A) the Subscription Price

minus

(B) the sum of (i) the Upfront Fee, (ii) the Internal Commission, (iii) the amount equal to two (2) *per cent.* of the Adjusted Nominal Value as of the Subscription Date which will be allocated to the Cash Ledger in accordance with Condition 11 and (iv) the Arranger Fee.

**Bearer Note Paying Agent** means Société Générale Bank & Trust S.A.

**Bearer Noteholder** means each person holding one or more Bearer Notes.

**Business Day** means a day (other than a Saturday and a Sunday) on which credit institutions are open for general business in Luxembourg, and which is also a TARGET2 Day.

**Calculation Agent** means Oaklet GmbH.

**Cash Ledger** has the meaning given to such term in Condition 11.2 below.

**Clearstream** means Clearstream Banking, *société anonyme*, Luxembourg.

**Common Depository** means a common depository for Euroclear and Clearstream.

**Companies Act 1915** means the Luxembourg act dated 10 August 1915 on commercial companies, as amended from time to time.

**Costs** means any unpaid costs and expenses incurred by the Issuer in relation to the Portfolio and the Portfolio Notes, including the following, payable in accordance with the following order of priority (subject to any lien or right of set-off granted by the Issuer from time to time in connection with the Portfolio Notes):

- (a) first, all direct and indirect taxes, costs, disbursements and duties incurred by the Issuer in connection with the issue of the Portfolio Notes, the acquisition of the Underlying Securities, the enforcement of the Underlying Securities, the redemption of the Portfolio Notes and the management, sale, transfer or liquidation of the Underlying Securities;
- (b) secondly, the annual fees incurred by the Issuer for the audit of the Portfolio;
- (c) thirdly, all fees, duties and costs payable by the Issuer in connection with the creation, administration, operation and liquidation of the Portfolio (including, but not limited to, any accounting fees incurred by the Issuer in respect of the Portfolio (other than the audit fees referred to in (b) above) and the issue of the Portfolio Notes, the costs and expenses incurred by the Issuer in relation to the organisation of general meetings of the Portfolio Noteholders or meetings of holders of individual series of Portfolio Notes only (as the case may be) or the obtaining of the consent of holders of one or more series of the Portfolio Notes and the costs and expenses incurred by the Issuer in connection with board meetings held in respect of the Portfolio);
- (d) fourthly, all amounts, fees and costs payable to any other party whose claims have arisen in connection with the Portfolio (other than the Portfolio Noteholders and other than the parties to whom various payments referred to in (a) to (c) (inclusive) above are due) (ranking *pari passu* and *pro rata* among them);
- (e) fifthly, the Servicing Fee;
- (f) sixthly, the Arranger Pre-funded Amounts; and
- (g) seventhly, such share of the Pro Rata Costs allocated and/or to be allocated to the Portfolio.

**Distribution Agent** means Timberland Invest Ltd.

**Early Redemption Date** has the meaning given to such term in Condition 5.2.

**Euro** or **EUR** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

**Euroclear** means Euroclear Bank S.A./N.V..

**Force Majeure Event** means an event or circumstance which prevents or otherwise impedes the determinations or the performance of the duties of the Issuer and/or any agent appointed in relation to the Bearer Notes, as the case may be. These events and circumstances may include, without limitation, a system failure, fire, building evacuation, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstance.

**Full Repayment** means that the Issuer has paid in full to the Bearer Noteholders the Redemption Amount, the Optional Redemption Amount or the last Partial Redemption Amount (as applicable) on each Bearer Note to be redeemed and, in the case of such last Partial Redemption Amount, no more amounts are expected to be paid by the Issuer in respect of the relevant Bearer Note.

**Global Note** has the meaning given to such term in Condition 2.1(e).

**Initial Nominal Value** has the meaning given to such term in Condition 2.1.

**Internal Commission** means, in respect of each Bearer Note, an amount of internal costs payable by the Issuer to the Distribution Agent relating to the distribution of the Bearer Notes and equal to ten (10) *per cent.* of the Adjusted Nominal Value as of the Subscription Date, which will be amortised over the period starting on 27 August 2016 and ending on, and including the date on which the Lock-Up Period expires.

**Issue Date** means 27 August 2015.

**Issuer Account** means the account of the Issuer held with Société Générale Bank & Trust S.A.

**Lock-Up Period** means the period starting on 27 August 2015 and ending on, and including, 31 December 2022.

**Luxembourg** means the Grand Duchy of Luxembourg.

**Maturity Date** means the earlier of (i) the next Business Day after the full redemption of all assets forming part of the Relevant Underlying Securities or (ii) 27 August 2040.

**Nominal Value** means the principal amount of a Bearer Note outstanding at any given time which, as of 27 August 2015, shall be equal to the Initial Nominal Value.

**Operational General Costs** means any operational costs (such as, audit costs, notarial fees and costs, corporate services costs, registration costs, publication costs, costs relating to the convening and holding of general meetings or any other costs payable by the Company in connection with its business) as well as direct and indirect taxes and duties that have been or will be incurred by the Company and that cannot be allocated to a specific segregated portfolio of the Company. The Company is entitled to create a budget for Operational General Costs that the Company is likely to incur in the future and for which the amount can be determined or approximated upfront (the **Budget**). The Company can divide such Budget into monthly instalments (the **Instalments**) and take account of such Instalments in the determination of Operational General Costs.

**Optional Redemption Amount** means, in relation to Condition 5.3 (Redemption at the option of the Bearer Noteholders), (A) divided by (B), where (A) is the Total Optional Redemption Amount minus the Optional Redemption Relevant Costs and (B) is the aggregate number of the outstanding Bearer Notes to be redeemed.

**Optional Redemption Date** has the meaning given to such term in Condition 5.3(a).

**Optional Redemption Ratio** means (A) the aggregate number of Bearer Notes to be redeemed divided by (B) the aggregate number of outstanding Bearer Notes.

**Optional Redemption Relevant Costs** means the share of the Relevant Costs attributed to the Bearer Notes to be redeemed, which is calculated by multiplying (A) the Relevant Costs by (B) the Optional Redemption Ratio.

**Partial Redemption Amount** means, in relation to Condition 5.4 (*Redemption by instalments*), (A) divided by (B), where (A) is the Total Partial Redemption Amount minus the Relevant Costs and (B) is the aggregate number of the outstanding Bearer Notes.

**Portfolio** means the segregated portfolio called “Optimix A SP” created by the Company in accordance with the terms of section 216 of the Companies Law (2013 Revision) of the Cayman Islands in connection with the Underlying and the Portfolio Notes.

**Portfolio Noteholders** means the holders of the Portfolio Notes collectively, and **Portfolio Noteholder** means any one of them.

**Portfolio Notes** means any and all outstanding notes of all series issued by the Issuer under the Portfolio (including but not limited to the Registered Notes and the Bearer Notes), collectively.

**Pro Rata Costs** means the Operational General Costs which will be allocated by the Company, on a half year basis in arrears, to all the segregated portfolios of the Company, on a *pro rata basis* depending on the size of the relevant segregated portfolio and the complexity of the transactions carried under such segregated portfolio (such breakdown to be determined by the Company in its sole discretion) and *pro rata temporis* for segregated portfolios created within such half year, provided that the relevant issue documentation does not exclude that Operational General Costs may be borne by a specific segregated portfolio of the Company.

**Ratio** means (A) the Total Bearer Note Contribution divided by (B) the Total Contribution.

**Redemption Amount** means (A) divided by (B), where (A) is the Total Redemption Amount minus the Relevant Costs and (B) is the aggregate number of the outstanding Bearer Notes.

**Redemption Amount Date** means the date on which the Issuer receives the Total Redemption Amount, the Total Optional Redemption Amount or the Total Partial Redemption Amount (as applicable).

**Registered Notes** means the up to EUR500,000,000 Series R2 Optimix A Limited Recourse 2015 Definitive Registered Notes in definitive registered form issued or to be issued by the Issuer acting for the account of the Portfolio, ranking *pari passu* and sharing in the Underlying with the Bearer Notes and all other notes issued or to be issued by the Issuer under the Portfolio (if any).

**Relevant Costs** means the share of the Total Costs attributable to the outstanding Bearer Notes, which is calculated by multiplying (A) the Total Costs by (B) the Ratio.

**Relevant Underlying** means the share of the Underlying attributed to the outstanding Bearer Notes, which is calculated by multiplying (A) the aggregate value of the Underlying by (B) the Ratio.

**Relevant Underlying Securities** means the share of the Underlying Securities attributed to the outstanding Bearer Notes, which is calculated by multiplying (A) the aggregate value of the Underlying Securities by (B) the Ratio.

**Servicing Fee** means the amount payable by the Issuer to the Distribution Agent equal to 0.075 (seventy-five thousandth) *per cent.* per month of the net value of the Underlying calculated by



the Calculation Agent using the fair value principle (that is historical costs less durable impairments) or the International Financial Reporting Standards (IFRS) as the applicable accounting principles.

**Subscription Date** means the later of (i) the Business Day on which the Issuer receives the completed subscription form and any documents necessary under applicable laws (if any) from the relevant investor and (ii) the Business Day on which the Issuer receives the Subscription Price in Euro (after conversion, if applicable) on the Issuer Account.

**Subscription Price** means, in respect of each Bearer Note, the sum of (A) the Adjusted Nominal Value as of the day prior to the Subscription Date (such day not being earlier than the Issue Date) and (B) the Upfront Fee. The Subscription Price in respect of the Bearer Notes is published on each Business Day on the Issuer's website ([www.timberland-securities.com](http://www.timberland-securities.com)).

**Substitute Debtor** has the meaning given to such term in Condition 18.

**TARGET2 Day** means any day on which the TARGET2 System is open.

**TARGET2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

**Tax Event** means any amendment to or change in the laws or regulations of Luxembourg or the Cayman Islands or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date pursuant to which the Issuer would be required to pay additional amounts.

**Total Bearer Note Contribution** means the aggregate amount of the Bearer Note Contributions of all the outstanding Bearer Notes.

**Total Contribution** means the aggregate amount contributed by all Portfolio Notes applied by the Issuer towards the purchase of the Underlying Securities.

**Total Costs** means the sum of (i) the Costs outstanding on the Redemption Amount Date and (ii) the Costs, if any, which will become payable after the Redemption Amount Date but which have been incurred by the Issuer in the period during which the Bearer Notes to be redeemed were outstanding.

**Total Optional Redemption Amount** means, in relation to Condition 5.3 (*Redemption at the option of the Bearer Noteholders*), an amount equal to, without double counting, the amount received by the Issuer in connection with (i) the redemption of the Relevant Underlying Securities or the relevant portion thereof in the case of redemption of part only of the outstanding Bearer Notes and/or (ii) the disposal by the Issuer of such Relevant Underlying Securities and/or (iii) the enforcement of such Relevant Underlying Securities or any security interest obtained in connection therewith plus the corresponding portion of the Relevant Underlying already held in the form of cash (if any).

**Total Partial Redemption Amount** means, in relation to Condition 5.4 (*Redemption by instalments*), an amount equal to, without double counting, the amount received by the Issuer in connection with (i) the redemption of the relevant portion of the Relevant Underlying Securities and/or (ii) the disposal by the Issuer of such Relevant Underlying Securities and/or (iii) the enforcement of such Relevant Underlying Securities or any security interest obtained in connection therewith plus the corresponding portion of the Relevant Underlying already held in the form of cash (if any).

**Total Redemption Amount** means an amount equal to, without double counting, the amount received by the Issuer in connection with (i) the full redemption of the Relevant Underlying Securities and/or (ii) the disposal by the Issuer of such Relevant Underlying Securities and/or (iii) the enforcement of such Relevant Underlying Securities or any security interest obtained in

connection therewith plus the entire amount of the Relevant Underlying already held in the form of cash (if any).

**Underlying** means (i) the Underlying Securities; (ii) any cash received in connection with the redemption of the Underlying Securities; (iii) cash held in the Cash Ledger; and (iv) any cash held in the Issuer Account, in each case allocated, at any given time, to the Portfolio.

**Underlying Securities** means all outstanding Equity Portfolio Limited Recourse Bonds, Bonds Portfolio Limited Recourse Bonds, Precious Metals Portfolio Limited Recourse Bonds and Currency Portfolio Limited Recourse Bonds, in each case issued by Timberland Investment SA, subscribed by the Issuer, in accordance with the Weighting, using the Total Contribution.

**Upfront Fee** means, in respect of each Bearer Note, a one-off fee of up to 5 *per cent.* of the Adjusted Nominal Value as of the Subscription Date, as agreed with each investor individually and payable to the Issuer on the Subscription Date. The Issuer pays the Upfront Fee to the Distribution Agent in consideration for its services as Distribution Agent.

**Weighting** means the following application of the Total Contribution: approximately (i) 70 *per cent.* to subscribe for Equity Portfolio Limited Recourse Bonds; (ii) 15 *per cent.* to subscribe for Bonds Portfolio Limited Recourse Bonds; (iii) 15 *per cent.* to subscribe for Precious Metals Portfolio Limited Recourse Bonds; (iv) 0 *per cent.* to subscribe for Currency Portfolio Limited Recourse Bonds; and (v) 0 *per cent.* to subscribe for Top-10 Portfolio Limited Recourse Bonds.

The expressions “Calculation Agent”, “Bearer Notes Paying Agent” and “Distribution Agent” shall in each case include any successor calculation agent, successor paying agent in respect of the Bearer Notes and successor distribution agent, respectively.

## **2. FORM, DENOMINATION AND TITLE**

### **2.1 Form and Denomination**

- (a) Bearer Notes are in bearer form and will, in the case of definitive Bearer Notes, be serially numbered. Bearer Notes may not be exchanged for Bearer Notes in registered form.
- (b) On a Subscription Date, each Bearer Note is issued for the Subscription Price and has a nominal value equal to the Nominal Value. The Nominal Value of Bearer Notes issued on 27 August 2015 is equal to EUR1.00 (the **Initial Nominal Value**).
- (c) In respect of each Bearer Note subscribed for by a Bearer Noteholder, the subscription amount applied by the Issuer towards the purchase of the Underlying Securities shall be equal to the Bearer Note Contribution.
- (d) The Issuer may issue Bearer Notes for no consideration to be held by the Issuer with a view to selling those Bearer Notes on the secondary market. All determinations made under these Conditions will reflect the fact that such Bearer Notes issued and directly held by the Issuer have been issued for no consideration (the Subscription Price for those Bearer Notes will be deemed to be 0). So long as any Bearer Notes are held by the Issuer, any rights attached to such Bearer Notes (such as financial rights and voting rights) will be suspended.
- (e) Upon issue, all the Bearer Notes will be represented by a global certificate in bearer form (the **Global Note**), which will be deposited with the Common Depositary on or about the Issue Date. The Global Note will be exchangeable for definitive Bearer Notes only in limited circumstances.

### **2.2 Transfer and Title**

- (a) Definitive Notes

Subject as set out below, title to the Bearer Notes will pass by delivery. The Issuer and the Bearer Notes Paying Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note as the absolute owner thereof (whether or not the Bearer Note is overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of the Bearer Notes represented by a Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

(b) Global Notes

For so long as the Bearer Notes are represented by a Global Note held on behalf of Euroclear and/or Clearstream, each person (other than Euroclear or Clearstream) who is for the time being shown in the records (the **Records**) of Euroclear or of Clearstream as the holder of a particular nominal amount of such Bearer Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Bearer Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Bearer Notes Paying Agent as the holder of such nominal amount of such Bearer Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Bearer Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Bearer Notes Paying Agent as the holder of such nominal amount of such Bearer Notes in accordance with and subject to the terms of the relevant Global Note and the expressions Bearer Noteholder and holder of Bearer Notes and related expressions shall be construed accordingly.

Bearer Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, as the case may be. References to Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system that may be approved by the Issuer and the Bearer Notes Paying Agent.

### 2.3 Specific provisions in relation to Bearer Notes in definitive form

- (a) The Global Note will become exchangeable in whole, but not in part, for the Bearer Notes in definitive form when either Euroclear or Clearstream is closed for business for a continuous period of fourteen (14) days, other than public holidays, or permanently ceases business or announces an intention to do so.
- (b) Any definitive Bearer Notes issued in exchange for the Global Note will be issued in bearer form only. The relevant definitive Bearer Notes will be made available by the Issuer to the persons shown in the Records.
- (c) Definitive Bearer Notes will be signed (A) manually or in facsimile by any two members of the board of directors of the Company who are both in office at the time of the issue of such definitive Bearer Notes or (B) manually or in facsimile by one member of the board of directors of the Company who is in office at the time of the issue of such definitive Bearer Notes and manually by a person to whom the authority to sign has been delegated by the board of directors of the Company. Definitive Bearer Notes will be authenticated by the Bearer Notes Paying Agent.

### 3. STATUS OF THE BEARER NOTES

Save for the special privilege outlined below, the Bearer Notes constitute direct, unsecured and limited recourse pass through obligations of the Issuer and rank *pari passu* and rateably, without any preference among themselves, with all other existing direct, unsecured, limited recourse, pass through indebtedness of the Issuer, which has been or will be allocated to the

Portfolio but, in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), only to the extent permitted by applicable laws relating to creditors' rights generally.

Pursuant to section 220 of the Companies Law, the assets attributable to the Portfolio shall only be used to meet liabilities due to the creditors in respect of the Portfolio and are not available or to be used to meet the claims of creditors of the Company or creditors of another segregated portfolio of the Company.

#### **4. INTEREST**

No interest or coupon is payable in respect of the Bearer Notes.

#### **5. REDEMPTION**

##### **5.1 Final Redemption**

- (a) Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem each Bearer Note on the Maturity Date by paying the Redemption Amount to the Bearer Noteholders. Once all the Bearer Notes have been so redeemed, the obligations of the Issuer under these Conditions shall be fully discharged and the Bearer Noteholders shall have no further claim or recourse against the Issuer.
- (b) If the Redemption Amount in respect of each and every Bearer Note is not available on the Maturity Date, the Issuer undertakes to use all reasonable means to promptly achieve a Full Repayment. In such a case, the Issuer may redeem the Bearer Notes by instalments in accordance with Condition 5.4 below. The Bearer Notes shall not be deemed fully redeemed unless and until, following the deduction of the corresponding share of the Total Costs, there is still any Relevant Underlying left in the Portfolio.
- (c) The Bearer Noteholders will not be entitled to any interest or other payment for the delay in receiving the Redemption Amount unless such delay has been caused by wilful misconduct or gross negligence of the Issuer. For the avoidance of doubt, any such delay in the payment of the Redemption Amount shall not constitute an Event of Default as provided in Condition 9 (*Events of Default*) below.

##### **5.2 Early Redemption at the option of the Issuer**

- (a) In the event that:
  - (i) the Issuer determines in good faith that the performance of its obligations under the Bearer Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof; and/or
  - (ii) a Force Majeure Event has occurred; and/or
  - (iii) a Tax Event has occurred; and/or
  - (iv) the obligations of the Issuer arising under, or in connection with, the Bearer Notes become, in the opinion and at the discretion of the Issuer, unreasonably burdensome; and/or
  - (v) the Issuer would be required to increase its commitments in respect of the Relevant Underlying Securities; and/or

- (vi) following a change in applicable law or regulation, the costs for the Issuer arising under, or in connection with, the Bearer Notes are higher than the costs that the Issuer reasonably expected to incur at the time of the issue of the Bearer Notes; and/or
- (vii) all Underlying Securities held by the Issuer have been redeemed early at the option of Timberland Investment SA in accordance with their respective terms and conditions,

the Issuer may, at its option, issue a notice (the **Notice**) to the Bearer Noteholders in accordance with Condition 15 (*Notices*) below by which it informs the Bearer Noteholders about the early redemption of the Bearer Notes (in whole but not in part) on a date which cannot be less than ten (10) Business Days after the issue of the Notice (the **Early Redemption Date**). On the Early Redemption Date, the Issuer shall redeem each Bearer Note by paying the Redemption Amount to the Bearer Noteholders. In such a case, the obligations of the Issuer under these Conditions shall be fully discharged and the Bearer Noteholders shall have no further claim or recourse against the Issuer.

- (b) If the Redemption Amount in respect of each and every Bearer Note is not available at the Early Redemption Date, the Issuer undertakes to use all reasonable means to promptly achieve a Full Repayment. In such a case, the Issuer may redeem the Bearer Notes by instalments in accordance with Condition 5.4 below. The Bearer Notes shall not be deemed fully redeemed unless and until, following the deduction of the Total Costs, there is still any Relevant Underlying left in the Portfolio.
- (c) The Bearer Noteholders will not be entitled to any interest or other payment for the delay in receiving the Redemption Amount unless such delay has been caused by wilful misconduct or gross negligence of the Issuer. For the avoidance of doubt, any such delay for the payment of the Redemption Amount shall not constitute an Event of Default as provided in Condition 9 (*Events of Default*) below.

### **5.3 Redemption at the option of the Bearer Noteholders**

- (a) Without prejudice to their right of early redemption in connection with an Event of Default pursuant to Condition 9 (*Events of Default*), any Bearer Noteholder may, prior to the Maturity Date, request the early redemption of all or part of its outstanding Bearer Notes on 15 November of each calendar year, starting on 15 November falling after the expiry of the Lock-Up Period (an **Optional Redemption Date**).
- (b) In order to exercise its right described in Condition 5.3(a) above, a Bearer Noteholder shall give to the Issuer, in accordance with Condition 15 (*Notices*), not less than thirty (30) nor more than sixty (60) Business Days' notice expiring on the Optional Redemption Date and (in the case of the Bearer Notes in definitive form) indicating the serial numbers of the Bearer Notes to be redeemed. In the case of the Bearer Notes in definitive form, such notice must be accompanied by the Bearer Note or Bearer Notes to be redeemed.
- (c) Upon receipt of the notice and, if applicable, the definitive Bearer Notes pursuant to (b) above and subject as provided below, the Issuer will redeem each of the relevant Bearer Notes on the Optional Redemption Date by paying the Optional Redemption Amount.
- (d) The notice given by a Bearer Noteholder in accordance with this Condition 5.3 shall be irrevocable except where, prior to the Optional Redemption Date, an Event of Default has occurred and is continuing, in which event such Bearer Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5.3 and instead to declare the Bearer Notes forthwith due and payable pursuant to Condition 9.

- (e) If the Issuer, having used all reasonable efforts, was unable to realise all or part of the Relevant Underlying Securities before the Optional Redemption Date, the Issuer may redeem the relevant Bearer Notes after that date, including by instalments in accordance with Condition 5.4 below. The relevant Bearer Notes shall not be deemed fully redeemed unless and until, following the deduction of the corresponding share of the Total Costs, there is still any corresponding Relevant Underlying left in the Portfolio.
- (f) The Bearer Noteholders will not be entitled to any interest or other payment for the delay in receiving the Optional Redemption Amount unless such delay has been caused by wilful misconduct or gross negligence of the Issuer. For the avoidance of doubt, any such delay in the payment of the Optional Redemption Amount shall not constitute an Event of Default under Condition 9 (*Events of Default*) below.

#### **5.4 Redemption by instalments**

- (a) In relation to Conditions 5.1(b), 5.2(b), 5.3(e) and 9, no later than ten (10) Business Days after the receipt of cash in connection with the realisation of part of the Relevant Underlying Securities, the Issuer will (i) pay a Partial Redemption Amount on each Bearer Note to the relevant Bearer Noteholder and (ii) (subject to the provisions of Condition 2.1(a)) reduce the Nominal Value of each Bearer Note by an amount equal to such Partial Redemption Amount.
- (b) The Issuer shall forthwith notify the Bearer Noteholders in accordance with Condition 15 (*Notices*) of the reduced Nominal Value resulting from the payment of a Partial Redemption Amount and annotate the Register accordingly.

#### **5.5 Purchase of Bearer Notes**

The Issuer may at any time purchase Bearer Notes at any price. Such Bearer Notes must be cancelled forthwith. For the avoidance of doubt, this Condition 5.5 does not apply to the Bearer Notes held by the Issuer in accordance with Condition 2.1(d).

#### **5.6 Cancellation**

All Bearer Notes redeemed by the Issuer upon a Full Repayment will be cancelled forthwith and may not be reissued or resold and the obligations of the Issuer in respect of any such Bearer Notes shall be discharged.

### **6. PAYMENTS**

#### **6.1 Pass-through limited recourse obligations**

For the avoidance of doubt, the Issuer shall only be obliged to make any payments to the Bearer Noteholders in respect of the Bearer Notes if, and only to the extent that, the Issuer has received the relevant amounts in respect of the Relevant Underlying.

The Issuer shall be discharged of its obligation to pay the Redemption Amount, the Optional Redemption Amount or the Partial Redemption Amount (as applicable) to the extent of the payments so made and no late interest will be due on any late payment in this respect.

For the avoidance of doubt, upon a Full Repayment, the relevant Bearer Notes are redeemed in full and all claims of the Bearer Noteholders shall be satisfied in respect of the Bearer Notes so redeemed. In such case, the Bearer Noteholders may not take any further steps against the Issuer to recover any further sums in respect of such Bearer Notes and their right to receive any such sums shall be extinguished.

## **6.2 Payments in Euro**

Subject as provided below, payments in respect of the Bearer Notes will be made by credit or transfer to a Euro denominated account of the relevant Bearer Noteholder the details of which have been communicated by such Bearer Noteholder to the Issuer and/or the Bearer Notes Paying Agent.

## **6.3 Presentation of definitive Bearer Notes**

Payments in respect of definitive Bearer Notes will be made (subject as provided below) in the manner provided in Condition 6.2 above only against presentation and surrender (or, in the case of partly payment of any sum due, endorsement) of definitive Bearer Notes at the specified office of the Bearer Notes Paying Agent. A record of each payment made against presentation or surrender (as the case may be) of any definitive Bearer Note will be made on such definitive Bearer Note by the Bearer Notes Paying Agent to which it was presented or surrendered and such record shall be *prima facie* evidence that the payment in question has been made.

## **6.4 Payments in respect of the Global Note**

Payments in respect of the Bearer Notes represented by a Global Note will be made (subject as provided below) in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender (as the case may be) of such Global Note at the specified office of the Bearer Notes Paying Agent. A record of each payment made against presentation or surrender (as the case may be) of any Global Note will be made on such Global Note by the Bearer Notes Paying Agent to which it was presented or surrendered and such record shall be *prima facie* evidence that the payment in question has been made.

The bearer of a Global Note shall be the only person entitled to receive payments in respect of the Bearer Notes represented by such Global Note and the Issuer's payment obligations in respect thereof will be discharged *pro tanto* by payment to, or to the order of, the bearer of such Global Note in respect of each amount so paid. Each of the persons shown in the Records as the beneficial holder of a particular nominal amount of the Bearer Notes represented by such Global Note must look solely to Euroclear or Clearstream as the case may be, for his share of each payment made by the Issuer to, or to the order of, the bearer of such Global Note. Such persons shall have no direct claim against the Issuer in respect of payments due on the Global Note.

## **6.5 General provisions applicable to payments**

Every payment in respect of the Bearer Notes to or to the account of the Bearer Notes Paying Agent in the manner provided in the agreement between the Issuer and the Bearer Notes Paying Agent shall operate in satisfaction *pro tanto* of the relative payment obligation of the Issuer in respect of such Bearer Notes.

## **6.6 Determinations**

- (a) All calculations to be made under these Conditions (including the determinations of the Redemption Amount, the Optional Redemption Amount or the Partial Redemption Amount) will be made by the Calculation Agent appointed by the Issuer.
- (b) The calculations of the Calculation Agent will (in the absence of the Calculation Agent's wilful misconduct, bad faith or manifest error) be binding on the Bearer Noteholders.
- (c) In these Conditions, the determination of Costs "to be incurred" will be made by the Issuer or the Calculation Agent in a reasonable manner. Such determination will (in the absence of

the Issuer's wilful misconduct, bad faith or manifest error) be binding on the Bearer Noteholders.

## **6.7 Fractions**

When making payments to the Bearer Noteholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

## **6.8 Payments subject to fiscal laws**

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment. A payment made in accordance with the provisions of this Condition 6 (*Payments*) above shall be a good discharge for the Issuer.

## **6.9 Delay in payment or partial payments**

A Bearer Noteholder will not be entitled to any interest or any other payment for any delay after the due date in receiving the amount due as a result of the due date not being a Business Day or (if applicable) if the Bearer Noteholder is late in presenting or surrendering the relevant definitive Bearer Note.

If any amount due on the Bearer Notes is not paid in full, the Bearer Notes Paying Agent, or in case of a Global Note, the Common Depositary, will annotate the relevant Bearer Notes with a record of the amount in fact paid.

## **6.10 Business Days**

If a payment date referred to in these Conditions falls on a day which is not a Business Day, such payment date shall be postponed to the next following day which is a Business Day, provided that the Bearer Noteholders shall not be entitled to any interest or other sum in respect of such postponed payment.

## **6.11 Payment of the Provision**

If the Issuer is not in a position to determine the exact amount of Costs, it is entitled to create an accounting provision to account for the Costs that the Issuer is likely to incur in the future (the **Provision**). The Provision will be determined by the Issuer in its sole discretion. Once the Issuer has ascertained that all Costs have been paid and discharged in full and that the Provision exceeds the amount of Costs, the Issuer will allocate the balance of the unused Provision to the Portfolio for re-investment.

## **6.12 Payment of tax refunds**

Tax refunds received by the Issuer in respect of the Relevant Underlying will be allocated to the Portfolio and re-invested.

## **7. MISCELLANEOUS**

### **7.1 Companies Law (2013 Revision)**

By subscribing to the Bearer Notes, or otherwise acquiring the Bearer Notes, each Bearer Noteholder expressly acknowledges and accepts, and will be deemed to have accepted and acknowledged, that the Company (i) is subject to the Companies Law and (ii) has created the Portfolio in respect of the Portfolio Notes to which all assets, rights, claims and agreements relating to the Portfolio Notes will be allocated. Furthermore, each Bearer Noteholder acknowledges and accepts that it has only recourse to the assets of the Portfolio and not to



the assets allocated to any other segregated portfolios created by the Company or any other assets of the Company. Each Bearer Noteholder expressly acknowledges and accepts that once all the assets allocated to the Portfolio have been realised, it is not entitled to take any further steps against the Issuer or the Company to recover any further sums due and the right to receive any such sum shall be extinguished. Each Bearer Noteholder accepts not to attach or otherwise seize the assets of the Issuer allocated to the Portfolio or to other segregated portfolios of the Company or the general assets of the Company. In particular, none of the Bearer Noteholders shall be entitled to (i) institute against the Company or any segregated portfolio of the Company, including the Portfolio, or join or assist any other person in instituting against the Company or any segregated portfolio of the Company, including the Portfolio, any winding-up, liquidation, bankruptcy, arrangement or insolvency proceedings under any Cayman Islands law, Luxembourg law or similar law of any jurisdiction, or (ii) apply for a receivership order under section 224 of the Companies Law in respect of the Portfolio or any other segregated portfolio of the Company. In the case of a conflict between the provisions of this Condition 7.1 and the other Conditions, the provisions of this Condition 7.1 shall prevail.

By subscribing for the Bearer Notes, or otherwise acquiring the Bearer Notes, each Bearer Noteholder expressly acknowledges and accepts that it has no direct right in respect of the Relevant Underlying or the Underling in general.

## **8. TAXATION**

All payments by or on behalf of the Issuer in respect of the Bearer Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Luxembourg or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

## **9. EVENTS OF DEFAULT**

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) if the Issuer fails to perform or observe any of its material obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of thirty (30) days next following the service by a Bearer Noteholder on the Issuer of notice requiring the same to be remedied; or
- (b) if a petition is presented or a proceeding is commenced or an order is made or an effective resolution is passed or a notice is issued convening a meeting for the purpose of passing any resolution or any other step is taken for the winding-up, insolvency, bankruptcy, administration, reorganisation or reconstruction of the Company or for the appointment of a liquidator, administrator, administrative receiver, receiver, trustee or similar officer of the Company or the Portfolio or similar Cayman Islands or foreign laws proceedings affecting the rights of creditors generally are opened against the Company and remain unstayed in effect for a period of thirty (30) consecutive days; or
- (c) if the Company stops or threatens to stop payment of, or is unable, or admits inability, to pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law and has lost its creditworthiness;

then the Issuer shall promptly notify the Bearer Noteholders of the occurrence of the relevant Event of Default and any Bearer Noteholder may, by written notice (the **Event of Default Notice**) to the Issuer, effective upon the date of receipt thereof by the Issuer, declare all (but not part only) of the Bearer Notes held by it to be forthwith due and payable within the next thirty (30) days whereupon each of the same shall become so payable at the Optional Redemption Amount without presentment, demand, protest or other notice of any kind.

If the Optional Redemption Amount is not available on such date, the Issuer undertakes to use all reasonable means to promptly achieve a Full Repayment. In such a case, the Issuer may redeem the relevant Bearer Notes after that date, including by instalments in accordance with Condition 5.4 above. The Bearer Notes shall not be deemed fully redeemed unless and until, following the deduction of the Total Costs, there is still any Relevant Underlying left in the Portfolio.

The Bearer Noteholders will not be entitled to any interest or other payment for the delay suffered in receiving the Optional Redemption Amount unless such delay has been caused by wilful misconduct or gross negligence of the Issuer.

## **10. PRESCRIPTION**

Claims against the Issuer for payment in respect of the Bearer Notes shall be prescribed and become void unless made within ten years from the date on which the relevant payment first becomes due.

## **11. UPFRONT FEE, INTERNAL COMMISSION, ARRANGER FEE AND ONGOING COSTS**

11.1 Each Bearer Noteholder expressly acknowledges and accepts that (A) (i) the Upfront Fee, (ii) the Internal Commission and (iii) the Arranger Fee will be deducted from the Subscription Price and (B) the calculation method used to amortise the Internal Commission and the Arranger Pre-funded Amounts over the relevant period may be different from the accounting method used in respect of the Portfolio in accordance with the applicable accounting principles.

11.2 In addition, each Bearer Noteholder expressly acknowledges and accepts that up to two (2) *per cent.* of the Adjusted Nominal Value of each Bearer Note will be set aside and recorded by the Issuer in one or more separate accounts created for the Portfolio to be used for the payment of Costs (the **Cash Ledger**). To the extent that cash is available in the Cash Ledger, all Costs shall be paid by the Issuer out of the Cash Ledger. The Issuer may determine the exact amount of the Cash Ledger at its sole discretion, subject to the limit above.

11.3 If the amount of cash held in the Cash Ledger (if any) is insufficient to pay the Costs, the Issuer is authorised to redeem such portion of the Underlying Securities as may be required to pay all outstanding Costs. Any surplus amount of the sale proceeds that has not been used to pay the Costs will be recorded in the Cash Ledger.

## **12. MEETINGS OF NOTEHOLDERS**

12.1 Articles 86 - 94-8 of the Companies Act 1915 are not applicable to the Bearer Notes.

12.2 The prospectus in respect of the Bearer Notes contains detailed provisions for convening (i) meetings of the Bearer Noteholders, (ii) joint meetings of holders of more than one series of notes in bearer form issued by the Company under one or more of its segregated portfolios (including, where applicable, the Bearer Notes), (iii) joint meetings of holders of more than one series of the Portfolio Notes (including notes in both definitive registered form and

bearer form) and (iv) joint meetings of holders of more than one series of outstanding notes (including notes in both definitive registered form and bearer form) issued by the Company under more than one of its segregated portfolios.

12.3 At meetings of the Bearer Noteholders, the Bearer Noteholders will deliberate and resolve on matters that relate specifically and exclusively to the Bearer Notes. A meeting of the Bearer Noteholders shall have powers:

- (a) to sanction the release of the Issuer from the payment of all or any part of the monies payable pursuant to these Conditions in respect of the Bearer Notes;
- (b) (subject to Condition 13 below) to sanction any modification of the Conditions specifically affecting the rights of the Bearer Noteholders; and
- (c) to vote on any resolutions tabled by the board of directors of the Company and specifically affecting the Bearer Notes.

12.4 For the avoidance of doubt, a resolution which affects noteholders of more than one series of notes issued by the Issuer or the Company (as applicable) may be passed at a single meeting of noteholders only if it does not give rise to a conflict of interest between such noteholders.

12.5 Subject to Condition 12.4 above:

- (a) at joint meeting of holders of more than one series of notes in bearer form issued by the Company under one or more of its segregated portfolios (including, where applicable, the Bearer Notes), the relevant noteholders will deliberate and resolve on matters that relate to such notes;
- (b) at joint meetings of holders of more than one series of the Portfolio Notes (including notes in both definitive registered form and bearer form), the relevant Portfolio Noteholders (including, where applicable, the Bearer Noteholders) will deliberate and resolve on matters that relate to such Portfolio Notes and the Portfolio in general; and
- (c) at joint meetings of holders of more than one series of outstanding notes issued by the Company under any and all of its segregated portfolios, the relevant holders (including, where applicable, the Bearer Noteholders) will deliberate and resolve on matters that relate to such notes or the Company in general.

### **13. MODIFICATION**

The Issuer may make, without the consent of the Bearer Noteholders, any modification to the Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Company is incorporated or to reflect any change of law which has an impact on the Issuer's obligations under the Bearer Notes.

Any such modification shall be binding on the Bearer Noteholders and any such modification shall be notified to the Bearer Noteholders by way of a notice in accordance with Condition 15 (*Notices*).

No modifications to the Conditions may be made by the Bearer Noteholders without the Issuer's written consent.

Notwithstanding any other provision in these Conditions, no modification may be made to the Conditions without the prior written consent of entities acting as account banks in connection with the Portfolio Notes and/or paying agents and securities custodians in

connection with the Portfolio Notes in bearer form if such modification would have an effect to lower the rank of such entities in the order of payment of Costs.

#### **14. FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Bearer Noteholders, create and issue under the Portfolio further notes (i) having the same Conditions in all respects as the outstanding Bearer Notes except for the Issue Date, so that such further issue shall be consolidated and form a single series with the outstanding Bearer Notes, and references in these Conditions to the Bearer Notes shall be construed accordingly or (ii) upon such terms and conditions as the Issuer may determine at the time of their issue (including, but not limited to, the Registered Notes). In addition, the Company may, without the consent of the Bearer Noteholders, issue all types of securities under other segregated portfolios set up by it. The Issuer will inform the existing Bearer Noteholders of any issuance of further Notes under the Portfolio pursuant to (ii) via a notice in accordance with Condition 15.

#### **15. NOTICES**

##### **15.1 Form of notice**

A notice:

- (i) must be in the English language; and
- (ii) may be given by the addressor itself or on behalf of the addressor by a solicitor, director or company secretary of the addressor.

##### **15.2 Notices to the Bearer Noteholders**

- (a) So long as the Bearer Notes are represented by the Global Note, all notices (including notices convening a meeting of the Bearer Noteholders) will be deemed to be validly given if delivered to Euroclear and/or Clearstream for communication by them to the Bearer Noteholders. Any such notice shall be deemed to have been given to the Bearer Noteholders on the next day after the delivery of the said notice to Euroclear and/or Clearstream.
- (b) Following the exchange of the Global Note for the Bearer Notes in definitive form, all notices (including notices convening a meeting of the Bearer Noteholders) will be deemed to be validly given if published on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)) or in a newspaper with a general circulation in a jurisdiction where the Bearer Notes have been or will be offered to the public (the **Public Offer Jurisdictions**). Any such notice will be deemed to have been given on the date of the first publication. A detailed up-to-date list of the relevant newspapers in each Public Offer Jurisdiction is published on the Issuer's website ([www.timberland-securities.com](http://www.timberland-securities.com)).

##### **15.3 Notices to the Issuer**

All notices to the Issuer will be deemed to be validly given if sent by registered mail to the Bearer Notes Paying Agent at its specified office or the Issuer at its registered office as published in the files of the Registrar of Companies in the Cayman Islands and will be deemed to have been given on the fifth (5th) Business Day after mailing. While the Bearer Notes are represented by the Global Note, such notice may also be given by the Bearer Noteholders to the Bearer Notes Paying Agent through Euroclear and/or Clearstream, as the case may be, in such manner as the Bearer Notes Paying Agent, Euroclear and/or Clearstream, as the case may be, may approve for this purpose.

## 16. BEARER NOTES PAYING AGENT

The Bearer Notes Paying Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Bearer Noteholders. The Issuer reserves the right at any time, without the prior approval of the Bearer Noteholders, to vary or terminate the appointment of the Bearer Notes Paying Agent, provided that the Issuer will at all times maintain a Bearer Notes Paying Agent having a specified office in Luxembourg. Notice of any such change will promptly be given to the Bearer Noteholders in accordance with Condition 15 (*Notices*).

The Bearer Notes Paying Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

## 17. DISTRIBUTION AGENT

The Distribution Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Bearer Noteholders. The Issuer reserves the right at any time, without the prior approval of the Bearer Noteholders, to vary or terminate the appointment of the Distribution Agent. Notice of any such change will promptly be given to the Bearer Noteholders in accordance with Condition 15 (*Notices*).

The Distribution Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

## 18. SUBSTITUTION OF THE ISSUER

The Issuer shall be entitled at any time, without the consent of the Portfolio Noteholders, if no payment of principal of and/or interest on any of the Portfolio Notes is in default, to substitute for the Issuer another securitisation undertaking (the **Substitute Debtor**) as principle debtor under all Portfolio Notes in respect of any and all obligations arising from and in connection with these Portfolio Notes, provided that:

- (a) the Substitute Debtor is solvent and can perform all obligations under and in connection with the Portfolio Notes;
- (b) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Debtor;
- (c) the Substitute Debtor has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Bearer Notes) from the authorities of the country in which it has its registered office;
- (d) the Issuer has transferred the Underlying to the Substitute Debtor; and
- (e) the substitution of the Substitute Debtor for the Issuer does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Portfolio Noteholders.

Notice of any such substitution shall be given to the Bearer Noteholders in accordance with Condition 15.

The Issuer will not guarantee the obligations of the Substitute Debtor under the Portfolio Notes after the substitution. The Portfolio Noteholders, by subscribing for, or otherwise acquiring, the Portfolio Notes, are deemed to have (i) consented to any substitution of the Issuer effected in accordance with this Condition 18 and to the release of the Issuer from any and all obligations in respect of the relevant Portfolio Notes and these presents; and (ii) accepted such substitution and the consequences thereof.

After the substitution of the Issuer by a Substitute Debtor this Condition 18 shall apply again.

In the event of such a substitution, every reference in these Conditions to the Issuer shall be deemed to refer to the Substitute Debtor.

## **19. GOVERNING LAW AND JURISDICTION**

### **19.1 Governing Law**

The Bearer Notes are governed by, and shall be construed in accordance with, Luxembourg law.

### **19.2 Jurisdiction**

The Luxembourg district courts are to have jurisdiction to settle any disputes which may arise out of or in connection with the Bearer Notes and accordingly any legal action or proceedings arising out of or in connection with the Bearer Notes (**Proceedings**) may be brought in such courts. Each of the Issuer and the Bearer Noteholders irrevocably submit to the jurisdiction of the Luxembourg district courts and waive any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

## CONDITIONS OF THE OPTIMIX B BEARER NOTES

The Conditions of the Optimix B Bearer Notes are in all respects identical to the Conditions of the Optimix A Bearer Notes except that :

a reference to “Optimix A” shall be a reference to “Optimix B”; and

**Weighting** means the following application of the Total Contribution: approximately (i) 60 per cent. to subscribe for Equity Portfolio Limited Recourse Bonds; (ii) 20 per cent. to subscribe for Bonds Portfolio Limited Recourse Bonds; (iii) 20 per cent. to subscribe for Precious Metals Portfolio Limited Recourse Bonds; (iv) 0 per cent. to subscribe for Currency Portfolio Limited Recourse Bonds; and (v) 0 per cent. to subscribe for Top-10 Portfolio Limited Recourse Bonds.

## CONDITIONS OF THE OPTIMIX C BEARER NOTES

The Conditions of the Optimix C Bearer Notes are in all respects identical to the Conditions of the Optimix A Bearer Notes except that :

a reference to “Optimix A” shall be a reference to “Optimix C”; and

**Weighting** means the following application of the Total Contribution: approximately (i) 50 per cent. to subscribe for Equity Portfolio Limited Recourse Bonds; (ii) 25 per cent. to subscribe for Bonds Portfolio Limited Recourse Bonds; (iii) 25 per cent. to subscribe for Precious Metals Portfolio Limited Recourse Bonds; (iv) 0 per cent. to subscribe for Currency Portfolio Limited Recourse Bonds; and (v) 0 per cent. to subscribe for Top-10 Portfolio Limited Recourse Bonds.



## CONDITIONS OF THE PRECIOUS METALS BEARER NOTES

The Conditions of the Precious Metals Bearer Notes are in all respects identical to the Conditions of the Optimix A Bearer Notes except that :

a reference to “Optimix A” shall be a reference to “Precious Metals”; and

**Weighting** means the following application of the Total Contribution: approximately (i) 0 per cent. to subscribe for Equity Portfolio Limited Recourse Bonds; (ii) 0 per cent. to subscribe for Bonds Portfolio Limited Recourse Bonds; (iii) 100 per cent. to subscribe for Precious Metals Portfolio Limited Recourse Bonds; (iv) 0 per cent. to subscribe for Currency Portfolio Limited Recourse Bonds; and (v) 0 per cent. to subscribe for Top-10 Portfolio Limited Recourse Bonds.

## CONDITIONS OF THE CURRENCY FUNDS BEARER NOTES

The Conditions of the Currency Funds Bearer Notes are in all respects identical to the Conditions of the Optimix A Bearer Notes except that :

a reference to “Optimix A” shall be a reference to “Currency Funds”; and

**Weighting** means the following application of the Total Contribution: approximately (i) 0 per cent. to subscribe for Equity Portfolio Limited Recourse Bonds; (ii) 10 per cent. to subscribe for Bonds Portfolio Limited Recourse Bonds; (iii) 0 per cent. to subscribe for Precious Metals Portfolio Limited Recourse Bonds; (iv) 90 per cent. to subscribe for Currency Portfolio Limited Recourse Bonds; and (v) 0 per cent. to subscribe for Top-10 Portfolio Limited Recourse Bonds.

## CONDITIONS OF THE TOP-10 BEARER NOTES

The Conditions of the Top-10 Bearer Notes are in all respects identical to the Conditions of the Optimix A Bearer Notes except that :

a reference to “Optimix A” shall be a reference to “Top-10”; and

**Weighting** means the following application of the Total Contribution: approximately (i) 0 per cent. to subscribe for Equity Portfolio Limited Recourse Bonds; (ii) 30 per cent. to subscribe for Bonds Portfolio Limited Recourse Bonds; (iii) 0 per cent. to subscribe for Precious Metals Portfolio Limited Recourse Bonds; (iv) 0 per cent. to subscribe for Currency Portfolio Limited Recourse Bonds; and (v) 70 per cent. to subscribe for Top-10 Portfolio Limited Recourse Bonds.

## CONDITIONS OF THE OPTIMIX A REGISTERED NOTES

The Series R2 Optimix A Limited Recourse 2015 Registered Notes (the **Registered Notes**, which expression shall in these terms and conditions of the Registered Notes (the **Conditions** and each a **Condition**), unless the context otherwise requires, include any further registered notes issued pursuant to Condition 15 (*Further Issues*)), having an aggregate nominal value not exceeding EUR500,000,000, are issued by Timberland Securities SPC, an exempted limited liability company established under the laws of the Cayman Islands and registered as a segregated portfolio company, having its registered office at Queensgate House, PO Box 1093, Grand Cayman KY1-1102, Cayman Islands (the **Company**) and acting for the account of its Optimix A SP (the **Issuer**).

In these Conditions, references to the Issuer may, as the case may be, be references to the Company and vice versa.

### 1. DEFINITIONS

**Adjusted Nominal Value** means, in respect of each Registered Note, the amount calculated daily by the Calculation Agent by reference, among other things, to the net asset value of the Underlying and published on each Business Day by the Calculation Agent on the Issuer's website ([www.timberland-securities.com](http://www.timberland-securities.com)), provided that in the case of the very first Registered Notes subscribed for or purchased by (as the case may be) an external investor the Adjusted Nominal Value shall be equal to the Initial Nominal Value.

**Arranger** means Timberland Securities Investment Ltd.

**Arranger Fee** means, in respect of each Registered Note, a fee of five (5) *per cent.* of the Adjusted Nominal Value as of the Subscription Date payable by the Issuer to the Arranger for its role in arranging the issuance of Registered Notes.

**Arranger Pre-funded Amounts** means all amounts, fees and costs relating to, among other things, the structure set-up, the creation, operation or liquidation of the Portfolio and the issue or the redemption of the Portfolio Notes that have been prefunded by the Arranger from time to time and have to be repaid by the Issuer to the Arranger, such amounts, fees and costs to be amortised before the Maturity Date.

**Bearer Notes** means the up to EUR500,000,000 Series B2 Optimix A Limited Recourse 2015 Bearer Notes in bearer form issued or to be issued by the Issuer acting for the account of the Portfolio, ranking *pari passu* and sharing in the Underlying with the Registered Notes and all other notes issued or to be issued by the Issuer under the Portfolio (if any).

**Business Day** means a day (other than a Saturday and a Sunday) on which credit institutions are open for general business in Luxembourg, and which is also a TARGET2 Day.

**Calculation Agent** means Oaklet GmbH.

**Cash Ledger** has the meaning given to such term in Condition 12.2 below.

**Companies Act 1915** means the Luxembourg act dated 10 August 1915 on commercial companies, as amended from time to time.

**Costs** means any unpaid costs and expenses incurred by the Issuer in relation to the Portfolio and the Portfolio Notes, including the following, payable in accordance with the following order of priority (subject to any lien or right of set-off granted by the Issuer from time to time in connection with the Portfolio Notes):

- (a) first, all direct and indirect taxes, costs, disbursements and duties incurred by the Issuer in connection with the issue of the Portfolio Notes, the acquisition of the Underlying Securities, the enforcement of the Underlying Securities, the redemption of the Portfolio Notes and the management, sale, transfer or liquidation of the Underlying Securities;
- (b) secondly, the annual fees incurred by the Issuer for the audit of the Portfolio;
- (c) thirdly, all fees, duties and costs payable by the Issuer in connection with the creation, administration, operation and liquidation of the Portfolio (including, but not limited to, any accounting fees incurred by the Issuer in respect of the Portfolio (other than the audit fees referred to in (b) above) and the issue of the Portfolio Notes, the costs and expenses incurred by the Issuer in relation to the organisation of general meetings of the Portfolio Noteholders or meetings of holders of individual series of Portfolio Notes only (as the case may be) or the obtaining of the consent of holders of one or more series of the Portfolio Notes and the costs and expenses incurred by the Issuer in connection with board meetings held in respect of the Portfolio);
- (d) fourthly, all amounts, fees and costs payable to any other party whose claims have arisen in connection with the Portfolio (other than the Portfolio Noteholders and other than the parties to whom various payments referred to in (a) to (c) (inclusive) above are due) (ranking *pari passu* and *pro rata* among them);
- (e) fifthly, the Servicing Fee;
- (f) sixthly, the Arranger Pre-funded Amounts; and
- (g) seventhly, such share of the Pro Rata Costs allocated and/or to be allocated to the Portfolio.

**Distribution Agent** means Timberland Invest Ltd.

**Early Redemption Date** has the meaning given to such term in Condition 6.2.

**Euro** or **EUR** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

**Force Majeure Event** means an event or circumstance which prevents or otherwise impedes the determinations or the performance of the duties of the Issuer and/or any agent appointed in relation to the Registered Notes, as the case may be. These events and circumstances may include, without limitation, a system failure, fire, building evacuation, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstance.

**Full Repayment** means that the Issuer has paid in full to the Registered Noteholders the Redemption Amount, the Optional Redemption Amount or the last Partial Redemption Amount (as applicable) on each Registered Note to be redeemed and, in the case of such last Partial Redemption Amount, no more amounts are expected to be paid by the Issuer in respect of the relevant Registered Note.

**Initial Nominal Value** has the meaning given to such term in Condition 2.1.

**Internal Commission** means, in respect of each Registered Note, an amount of internal costs payable by the Issuer to the Distribution Agent relating to the distribution of the Registered Notes and equal to ten (10) per cent. of the Adjusted Nominal Value as of the Subscription Date,

which will be amortised over the period starting on 27 August 2016 and ending on, and including the date on which the Lock-Up Period expires

**Issue Date** means 27 August 2015.

**Issuer Account** means the account of the Issuer held with Société Générale Bank & Trust S.A.

**Issuer Register** has the meaning given to such term in Condition 2.1(f).

**Lock-Up Period** means the period starting on 27 August 2015 and ending on, and including, 31 December 2022.

**Luxembourg** means the Grand Duchy of Luxembourg.

**Maturity Date** means the earlier of (i) the next Business Day after the full redemption of all assets forming part of the Relevant Underlying Securities or (ii) 27 August 2040.

**Nominal Value** means the principal amount of a Registered Note outstanding at any given time which, as of 27 August 2015, shall be equal to the Initial Nominal Value.

**Operational General Costs** means any operational costs (such as, audit costs, notarial fees and costs, corporate services costs, registration costs, publication costs, costs relating to the convening and holding of general meetings or any other costs payable by the Company in connection with its business) as well as direct and indirect taxes and duties that have been or will be incurred by the Company and that cannot be allocated to a specific segregated portfolio of the Company. The Company is entitled to create a budget for Operational General Costs that the Company is likely to incur in the future and for which the amount can be determined or approximated upfront (the **Budget**). The Company can divide such Budget into monthly instalments (the **Instalments**) and take account of such Instalments in the determination of Operational General Costs.

**Optional Redemption Amount** means, in relation to Condition 6.3 (*Redemption at the option of the Registered Noteholders*), (A) divided by (B), where (A) is the Total Optional Redemption Amount minus the Optional Redemption Relevant Costs and (B) is the aggregate number of the outstanding Registered Notes to be redeemed.

**Optional Redemption Date** has the meaning given to such term in Condition 6.3(a).

**Optional Redemption Ratio** means (A) the aggregate number of Registered Notes to be redeemed divided by (B) the aggregate number of outstanding Registered Notes.

**Optional Redemption Relevant Costs** means the share of the Relevant Costs attributed to the Registered Notes to be redeemed, which is calculated by multiplying (A) the Relevant Costs by (B) the Optional Redemption Ratio.

**Partial Redemption Amount** means, in relation to Condition 6.4 (*Redemption by instalments*), (A) divided by (B), where (A) is the Total Partial Redemption Amount minus the Relevant Costs and (B) is the aggregate number of the outstanding Registered Notes.

**Portfolio** means the segregated portfolio called “Optimix A SP” created by the Company in accordance with the terms of section 216 of the Companies Law (2013 Revision) of the Cayman Islands in connection with the Underlying and the Portfolio Notes.

**Portfolio Noteholders** means the holders of the Portfolio Notes collectively, and Portfolio Noteholder means any one of them.

**Portfolio Notes** means any and all outstanding notes of all series issued by the Issuer under the Portfolio (including but not limited to the Registered Notes and the Bearer Notes), collectively.

**Pro Rata Costs** means the Operational General Costs which will be allocated by the Company, on a half year basis in arrears, to all the segregated portfolios of the Company, on a *pro rata basis* depending on the size of the relevant segregated portfolio and the complexity of the transactions carried under such segregated portfolio (such breakdown to be determined by the Company in its sole discretion) and *pro rata temporis* for segregated portfolios created within such half year, provided that the relevant issue documentation does not exclude that Operational General Costs may be borne by a specific segregated portfolio of the Company.

**Ratio** means (A) the Total Registered Note Contribution divided by (B) the Total Contribution.

**Redemption Amount** means (A) divided by (B), where (A) is the Total Redemption Amount minus the pro rata share of the Relevant Costs and (B) is the aggregate number of the outstanding Registered Notes.

**Redemption Amount Date** means the date on which the Issuer receives the Total Redemption Amount, the Total Optional Redemption Amount or the Total Partial Redemption Amount (as applicable).

**Registered Note Contribution** means, in respect of each Registered Note:

(A) the Subscription Price

minus

(B) the sum of (i) the Upfront Fee, (ii) the Internal Commission, (iii) the amount equal to two (2) per cent. of the Adjusted Nominal Value as of the Subscription Date which will be allocated to the Cash Ledger in accordance with Condition 12 and (iv) the Arranger Fee.

**Registered Noteholder** means each person in whose name a Registered Note is registered in the Issuer Register (as defined in Condition 2.2).

**Registrar and Transfer Agent** means Alter Domus Fund Services (Malta) Limited.

**Relevant Costs** means the share of the Total Costs attributable to the outstanding Registered Notes, which is calculated by multiplying (A) the Total Costs by (B) the Ratio.

**Relevant Underlying** means the share of the Underlying attributed to the outstanding Registered Notes, which is calculated by multiplying (A) the aggregate value of the Underlying by (B) the Ratio.

**Relevant Underlying Securities** means the share of the Underlying Securities attributed to the outstanding Registered Notes, which is calculated by multiplying (A) the aggregate value of the Underlying Securities by (B) the Ratio.

**Servicing Fee** means the amount payable by the Issuer to the Distribution Agent equal to 0.075 (seventy-five thousandth) *per cent.* per month of the net value of the Underlying calculated by the Calculation Agent using the fair value principle (that is historical costs less durable impairments) or the International Financial Reporting Standards (IFRS) as the applicable accounting principles.

**Subscription Date** means the later of (i) the Business Day on which the Issuer receives the completed subscription form and any documents necessary under applicable laws (if any) from the relevant investor and (ii) the Business Day on which the Issuer receives the Subscription Price in Euro (after conversion, if applicable) on the Issuer Account.

**Subscription Price** means, in respect of each Registered Note, the sum of (A) the Adjusted Nominal Value as of the day prior to the Subscription Date (such day not being earlier than the Issue Date) and (B) the Upfront Fee. The Subscription Price in respect of the Registered Notes is published on each Business Day on the Issuer's website ([www.timberland-securities.com](http://www.timberland-securities.com)).

**Substitute Debtor** has the meaning given to such term in Condition 18.

**TARGET2 Day** means any day on which the TARGET2 System is open.

**TARGET2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

**Tax Event** means any amendment to or change in the laws or regulations of Luxembourg or the Cayman Islands or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date pursuant to which the Issuer would be required to pay additional amounts.

**Total Contribution** means the aggregate amount contributed by all Portfolio Notes applied by the Issuer towards the purchase of the Underlying Securities.

**Total Costs** means the sum of (i) the Costs outstanding on the Redemption Amount Date and (ii) the Costs, if any, which will become payable after the Redemption Amount Date but which have been incurred by the Issuer in the period during which the Registered Notes to be redeemed were outstanding.

**Total Optional Redemption Amount** means, in relation to Condition 6.3 (*Redemption at the option of the Registered Noteholders*), an amount equal to, without double counting, the amount received by the Issuer in connection with (i) the redemption of the Relevant Underlying Securities or the relevant portion thereof in the case of redemption of part only of the outstanding Registered Notes and/or (ii) the disposal by the Issuer of such Relevant Underlying Securities and/or (iii) the enforcement of such Relevant Underlying Securities or any security interest obtained in connection therewith plus the corresponding portion of the Relevant Underlying already held in the form of cash (if any).

**Total Partial Redemption Amount** means, in relation to Condition 6.4 (*Redemption by instalments*), an amount equal to, without double counting, the amount received by the Issuer in connection with (i) the redemption of the relevant portion of the Relevant Underlying Securities and/or (ii) the disposal by the Issuer of such Relevant Underlying Securities and/or (iii) the enforcement of such Relevant Underlying Securities or any security interest obtained in connection therewith plus the corresponding portion of the Relevant Underlying already held in the form of cash (if any).

**Total Redemption Amount** means an amount equal to, without double counting, the amount received by the Issuer in connection with (i) the full redemption of the Relevant Underlying Securities and/or (ii) the disposal by the Issuer of such Relevant Underlying Securities and/or (iii) the enforcement of such Relevant Underlying Securities or any security interest obtained in connection therewith plus the entire amount of the Relevant Underlying already held in the form of cash (if any).

**Total Registered Note Contribution** means the aggregate amount of the Registered Note Contributions of all the outstanding Registered Notes.

**Underlying** means (i) the Underlying Securities; (ii) any cash received in connection with the redemption of the Underlying Securities; (iii) cash held in the Cash Ledger; and (iv) any cash held in the Issuer Account, in each case allocated, at any given time, to the Portfolio.



**Underlying Securities** means all outstanding Equity Portfolio Limited Recourse Bonds, Bonds Portfolio Limited Recourse Bonds, Precious Metals Portfolio Limited Recourse Bonds and Currency Portfolio Limited Recourse Bonds, in each case issued by Timberland Investment SA, subscribed by the Issuer, in accordance with the Weighting, using the Total Contribution.

**Upfront Fee** means, in respect of each Registered Note, a one-off fee of up to 5 per cent. of the Adjusted Nominal Value as of the Subscription Date as agreed with each investor individually payable to the Issuer on the Subscription Date. The Issuer pays the Upfront Fee to the Distribution Agent in consideration for its services as Distribution Agent.

**Weighting** means the following application of the Total Contribution: approximately (i) 70 *per cent.* to subscribe for Equity Portfolio Limited Recourse Bonds; (ii) 15 *per cent.* to subscribe for Bonds Portfolio Limited Recourse Bonds; (iii) 15 *per cent.* to subscribe for Precious Metals Portfolio Limited Recourse Bonds; (iv) 0 *per cent.* to subscribe for Currency Portfolio Limited Recourse Bonds; and 0 *per cent.* to subscribe for Top-10 Portfolio Limited Recourse Bonds.

The expressions “Calculation Agent”, “Registrar and Transfer Agent” and “Distribution Agent” shall in each case include any successor calculation agent, successor registrar and transfer agent and successor distribution agent, respectively.

## **2. FORM, DENOMINATION AND TITLE**

### **2.1 Form and Denomination**

- (a) On a Subscription Date, each Registered Note is issued for the Subscription Price in definitive registered form only and may under no circumstances be converted into a note in bearer form. Each Registered Note has a nominal value equal to the Nominal Value. The Nominal Value of Registered Notes issued on 27 August 2015 is equal to EUR1.00 (the **Initial Nominal Value**).
- (b) In respect of each Registered Note subscribed for by a Registered Noteholder, the subscription amount applied by the Issuer towards the purchase of the Underlying Securities shall be equal to the Registered Note Contribution.
- (c) The Issuer may issue Registered Notes for no consideration to be held by the Issuer with a view to selling those Registered Notes on the secondary market. All determinations made under these Conditions will reflect the fact that such Registered Notes issued and directly held by the Issuer have been issued for no consideration (the Subscription Price for those Registered Notes will be deemed to be 0). So long as any Registered Notes are held by the Issuer, any rights attached to such Registered Notes (such as financial rights and voting rights) will be suspended.
- (d) The Registered Notes are not clearable through any clearing system and cannot (and will not) be admitted to trading and/or listed on any stock exchange, regulated or unregulated market.
- (e) The Issuer will cause to be kept at the specified office of the Registrar and Transfer Agent a register of holders of Registered Notes (the **Register**). The Registrar and Transfer Agent will immediately inform the Issuer of any changes made to the Register.
- (f) The Issuer undertakes to keep an up-to-date copy of the Register at its registered office at all times (the **Issuer Register**).
- (g) A Registered Noteholder may request from the Registrar and Transfer Agent an extract of the Register showing the entry relevant to its holding of the Registered Notes.

## **2.2 Title**

- (a) Title to the Registered Notes passes only by registration (*inscription*) in the Issuer Register.
- (b) Ownership in respect of the Registered Notes is established by the registration in the Issuer Register.
- (c) Except as ordered by a court of competent jurisdiction or a public authority or as required by law, the Issuer may deem and treat the person registered in the Issuer Register as absolute owner of the Registered Notes for all purposes (whether or not the Registered Note is overdue) and no person will be liable for so treating the holder.
- (d) No transfer of a Registered Note shall be recognised by the Issuer unless entered on the Register and the Issuer Register. In the case of discrepancies between the records of the Register and the Issuer Register, the latter shall prevail.

## **3. TRANSFERS**

### **3.1 Transfers**

A Registered Note may be transferred by depositing at the specified office of the Registrar and Transfer Agent a document evidencing the transfer of the Registered Note in the form satisfactory to the Registrar and Transfer Agent and the Issuer, together with a copy of the passport or ID card of each of the transferor and the transferee and/or such other documents as the Registrar and Transfer Agent and the Issuer may reasonable require.

### **3.2 Formalities free of charge**

Registration of transfer of the Registered Notes will be effected without charge by or on behalf of the Issuer but upon payment (or the giving of such indemnity as the Issuer may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to such transfer.

### **3.3 Closed Periods**

- (a) No Registered Noteholder may require the transfer of a Registered Note to be registered (i) after the Event of Default Notice has been issued pursuant to Condition 10 or (ii) during the period of fifteen (15) days ending on the due date for any payment in respect of that Registered Note.
- (b) Furthermore, the Issuer shall not be required, in the event of an optional redemption of Registered Notes under Condition 6.3, to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the twenty-fifth ((25th) day before the Optional Redemption Date and ending on the Optional Redemption Date (both inclusive).

## **4. STATUS OF THE REGISTERED NOTES**

Save for the special privilege outlined below, the Registered Notes constitute direct, unsecured and limited recourse pass through obligations of the Issuer and rank *pari passu* and rateably, without any preference among themselves, with all other existing direct, unsecured, limited recourse, pass through indebtedness of the Issuer, which has been or will be allocated to the Portfolio but, in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), only to the extent permitted by applicable laws relating to creditors' rights generally.

Pursuant to section 220 of the Companies Law, the assets attributable to the Portfolio shall only be used to meet liabilities due to the creditors in respect of the Portfolio and are not

available or to be used to meet the claims of creditors of the Company or creditors of another segregated portfolio of the Company.

## **5. INTEREST**

No interest or coupon is payable in respect of the Registered Notes.

## **6. REDEMPTION**

### **6.1 Final Redemption**

- (a) Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem each Registered Note on the Maturity Date by paying the Redemption Amount to the Registered Noteholders. Once all the Registered Notes have been so redeemed, the obligations of the Issuer under these Conditions shall be fully discharged and the Registered Noteholders shall have no further claim or recourse against the Issuer.
- (b) If the Redemption Amount in respect of each and every Registered Note is not available on the Maturity Date, the Issuer undertakes to use all reasonable means to promptly achieve a Full Repayment. In such a case, the Issuer may redeem the Registered Notes by instalments in accordance with Condition 6.4 below. The Registered Notes shall not be deemed fully redeemed unless and until, following the deduction of the corresponding share of the Total Costs, there is still any Relevant Underlying left in the Portfolio.
- (c) The Registered Noteholders will not be entitled to any interest or other payment for the delay in receiving the Redemption Amount unless such delay has been caused by wilful misconduct or gross negligence of the Issuer. For the avoidance of doubt, any such delay in the payment of the Redemption Amount shall not constitute an Event of Default as provided in Condition 10 (*Events of Default*) below.

### **6.2 Early Redemption at the option of the Issuer**

- (a) In the event that:
  - (i) the Issuer determines in good faith that the performance of its obligations under the Registered Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof; and/or
  - (ii) a Force Majeure Event has occurred; and/or
  - (iii) a Tax Event has occurred; and/or
  - (iv) the obligations of the Issuer arising under, or in connection with, the Registered Notes become, in the opinion and at the discretion of the Issuer, unreasonably burdensome; and/or
  - (v) the Issuer would be required to increase its commitments in respect of the Relevant Underlying Securities; and/or
  - (vi) following a change in applicable law or regulation, the costs for the Issuer arising under, or in connection with, the Registered Notes are higher than the costs that the Issuer reasonably expected to incur at the time of the issue of the Registered Notes; and/or

- (vii) all Underlying Securities held by the Issuer have been redeemed early at the option of Timberland Investment SA in accordance with their respective terms and conditions

the Issuer may, at its option, issue a notice (the **Notice**) to the Registered Noteholders in accordance with Condition 16 (*Notices*) below by which it informs the Registered Noteholders about the early redemption of the Registered Notes (in whole but not in part) on a date which cannot be less than ten (10) Business Days after the issue of the Notice (the **Early Redemption Date**). On the Early Redemption Date, the Issuer shall redeem each Registered Note by paying the Redemption Amount to the Registered Noteholders. In such a case, the obligations of the Issuer under these Conditions shall be fully discharged and the Registered Noteholders shall have no further claim or recourse against the Issuer.

- (b) If the Redemption Amount in respect of each and every Registered Note is not available at the Early Redemption Date, the Issuer undertakes to use all reasonable means to promptly achieve a Full Repayment. In such a case, the Issuer may redeem the Registered Notes by instalments in accordance with Condition 6.4 below. The Registered Notes shall not be deemed fully redeemed unless and until, following the deduction of the Total Costs, there is still any Relevant Underlying left in the Portfolio.
- (c) The Registered Noteholders will not be entitled to any interest or other payment for the delay in receiving the Redemption Amount unless such delay has been caused by wilful misconduct or gross negligence of the Issuer. For the avoidance of doubt, any such delay for the payment of the Redemption Amount shall not constitute an Event of Default as provided in Condition 10 (*Events of Default*) below.

### **6.3 Redemption at the option of the Registered Noteholders**

- (a) Without prejudice to their right of early redemption in connection with an Event of Default pursuant to Condition 10 (*Events of Default*), any Registered Noteholder may, prior to the Maturity Date, request the early redemption of all or part of its outstanding Registered Notes on 15 November of each calendar year, starting on 15 November falling after the expiry of the Lock-Up Period (an **Optional Redemption Date**).
- (b) In order to exercise its right described in Condition 6.3(a) above, a Registered Noteholder shall give to the Issuer, in accordance with Condition 16 (*Notices*), not less than thirty (30) nor more than sixty (60) Business Days' notice expiring on the Optional Redemption Date.
- (c) Upon receipt of the notice pursuant to (b) above and subject as provided below, the Issuer will redeem each of the relevant Registered Notes on the Optional Redemption Date by paying the Optional Redemption Amount.
- (d) The notice given by a Registered Noteholder in accordance with this Condition 6.3 shall be irrevocable except where, prior to the Optional Redemption Date, an Event of Default has occurred and is continuing, in which event such Registered Noteholder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.3 and instead to declare the Registered Notes forthwith due and payable pursuant to Condition 10.
- (e) If the Issuer, having used all reasonable efforts, was unable to realise all or part of the Relevant Underlying Securities before the Optional Redemption Date, the Issuer may redeem the relevant Registered Notes after that date, including by instalments in accordance with Condition 6.4 below. The relevant Registered Notes shall not be deemed fully redeemed unless and until, following the deduction of the corresponding share of the Total Costs, there is still any corresponding Relevant Underlying left in the Portfolio.

- (f) The Registered Noteholders will not be entitled to any interest or other payment for the delay in receiving the Optional Redemption Amount unless such delay has been caused by wilful misconduct or gross negligence of the Issuer. For the avoidance of doubt, any such delay in the payment of the Optional Redemption Amount shall not constitute an Event of Default under Condition 10 (*Events of Default*) below.

#### **6.4 Redemption by instalments**

- (a) In relation to Conditions 6.1(b), 6.2(b), 6.3(e) and 10, no later than ten (10) Business Days after the receipt of cash in connection with the realisation of part of the Relevant Underlying Securities, the Issuer will (i) pay a Partial Redemption Amount on each Registered Note to the relevant Registered Noteholder and (ii) (subject to the provisions of Condition 2.1(a)) reduce the Nominal Value of each Registered Note by an amount equal to such Partial Redemption Amount.
- (b) The Issuer shall forthwith notify the Registered Noteholders in accordance with Condition 16 (*Notices*) of the reduced Nominal Value resulting from the payment of a Partial Redemption Amount and annotate the Register accordingly.

#### **6.5 Purchase of Registered Notes**

The Issuer may at any time purchase Registered Notes at any price. Such Registered Notes must be cancelled forthwith. For the avoidance of doubt, this Condition 6.5 does not apply to the Registered Notes held by the Issuer in accordance with Condition 2.1(c).

#### **6.6 Cancellation**

All Registered Notes redeemed by the Issuer upon a Full Repayment will be cancelled forthwith and may not be reissued or resold and the obligations of the Issuer in respect of any such Registered Notes shall be discharged.

### **7. PAYMENTS**

#### **7.1 Pass-through limited recourse obligations**

For the avoidance of doubt, the Issuer shall only be obliged to make any payments to the Registered Noteholders in respect of the Registered Notes if, and only to the extent that, the Issuer has received the relevant amounts in respect of the Relevant Underlying.

The Issuer shall be discharged of its obligation to pay the Redemption Amount, the Optional Redemption Amount or the Partial Redemption Amount (as applicable) to the extent of the payments so made and no late interest will be due on any late payment in this respect.

For the avoidance of doubt, upon a Full Repayment, the relevant Registered Notes are redeemed in full and all claims of the Registered Noteholders shall be satisfied in respect of the Registered Notes so redeemed. In such case, the Registered Noteholders may not take any further steps against the Issuer to recover any further sums in respect of such Registered Notes and their right to receive any such sums shall be extinguished.

#### **7.2 Payments in Euro**

Subject as provided below, payments in respect of the Registered Notes will be made by credit or transfer to a Euro denominated account of the relevant Registered Noteholder the details of which are recorded in the Register at a given time.

### **7.3 Determinations**

- (a) All calculations to be made under these Conditions (including the determinations of the Redemption Amount, the Optional Redemption Amount or the Partial Redemption Amount) will be made by the Calculation Agent appointed by the Issuer.
- (b) The calculations of the Calculation Agent will (in the absence of the Calculation Agent's wilful misconduct, bad faith or manifest error) be binding on the Registered Noteholders.
- (c) In these Conditions, the determination of Costs "to be incurred" will be made by the Issuer or the Calculation Agent in a reasonable manner. Such determination will (in the absence of the Issuer's wilful misconduct, bad faith or manifest error) be binding on the Registered Noteholders.

### **7.4 Fractions**

When making payments to the Registered Noteholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

### **7.5 Payments subject to fiscal laws**

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment. A payment made in accordance with the provisions of this Condition 7 (*Payments*) above shall be a good discharge for the Issuer.

### **7.6 Delay in payment or partial payments**

A Registered Noteholder will not be entitled to any interest or any other payment for any delay after the due date in receiving the amount due as a result of the due date not being a Business Day.

If any amount due on the Registered Notes is not paid in full, the Issuer will annotate the Issuer Register and cause the Register to be annotated with a record of the amount in fact paid.

### **7.7 Business Days**

If a payment date referred to in these Conditions falls on a day which is not a Business Day, such payment date shall be postponed to the next following day which is a Business Day, provided that the Registered Noteholders shall not be entitled to any interest or other sum in respect of such postponed payment.

### **7.8 Payment of the Provision**

If the Issuer is not in a position to determine the exact amount of Costs, it is entitled to create an accounting provision to account for the Costs that the Issuer is likely to incur in the future (the **Provision**). The Provision will be determined by the Issuer in its sole discretion. Once the Issuer has ascertained that all Costs have been paid and discharged in full and that the Provision exceeds the amount of Costs, the Issuer will allocate the balance of the unused Provision to the Portfolio for re-investment.

### **7.9 Payment of tax refunds**

Tax refunds received by the Issuer in respect of the Relevant Underlying will be allocated to the Compartment and re-invested.

## 8. MISCELLANEOUS

### 8.1 Companies Law (2013 Revision)

By subscribing to the Registered Notes, or otherwise acquiring the Registered Notes, each Registered Noteholder expressly acknowledges and accepts, and will be deemed to have accepted and acknowledged, that the Company (i) is subject to the Companies Law and (ii) has created the Portfolio in respect of the Portfolio Notes to which all assets, rights, claims and agreements relating to the Portfolio Notes will be allocated. Furthermore, each Registered Noteholder acknowledges and accepts that it has only recourse to the assets of the Portfolio and not to the assets allocated to any other segregated portfolios created by the Company or the general assets of the Company. Each Registered Noteholder expressly acknowledges and accepts that once all the assets allocated to the Portfolio have been realised, it is not entitled to take any further steps against the Issuer or the Company to recover any further sums due and the right to receive any such sum shall be extinguished. Each Registered Noteholder accepts not to attach or otherwise seize the assets of the Issuer allocated to the Portfolio or to other segregated portfolios of the Company or the general assets of the Company. In particular, none of the Registered Noteholders shall be entitled to (i) institute against the Company or any segregated portfolio of the Company, including the Portfolio, or join or assist any other person in instituting against the Company or any segregated portfolio of the Company, including the Portfolio, any winding-up, liquidation, bankruptcy, arrangement or insolvency proceedings under any Cayman Islands law, Luxembourg law or similar law of any jurisdiction, or (ii) apply for a receivership order under section 224 of the Companies Law in respect of the Portfolio or any other segregated portfolio of the Company. In the case of a conflict between the provisions of this Condition 8.1 and the other Conditions, the provisions of this Condition 8.1 shall prevail.

By subscribing for the Registered Notes, or otherwise acquiring the Registered Notes, each Registered Noteholder expressly acknowledges and accepts that it has no direct right in respect of the Relevant Underlying or the Underling in general.

### 8.2 Exclusion of application for winding-up

For the avoidance of doubt, no Registered Noteholder may initiate proceedings against the Issuer or the Company based on section 94 of the Companies Law.

## 9. TAXATION

All payments by or on behalf of the Issuer in respect of the Registered Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Luxembourg or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

## 10. EVENTS OF DEFAULT

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) if the Issuer fails to perform or observe any of its material obligations under the Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of thirty (30) days next following the service by a Registered Noteholder on the Issuer of notice requiring the same to be remedied; or
- (b) if a petition is presented or a proceeding is commenced or an order is made or an effective resolution is passed or a notice is issued convening a meeting for the purpose of passing any resolution or any other step is taken for the winding-up,

insolvency, bankruptcy, administration, reorganisation or reconstruction of the Company or for the appointment of a liquidator, administrator, administrative receiver, receiver, trustee or similar officer of the Company or the Portfolio or similar Cayman Islands or foreign laws proceedings affecting the rights of creditors generally are opened against the Company and remain unstayed in effect for a period of thirty (30) consecutive days; or

- (c) if the Company stops or threatens to stop payment of, or is unable, or admits inability, to pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law and has lost its creditworthiness;

then the Issuer shall promptly notify the Registered Noteholders of the occurrence of the relevant Event of Default and any Registered Noteholder may, by written notice (the **Event of Default Notice**) to the Issuer, effective upon the date of receipt thereof by the Issuer, declare all (but not part only) of the Registered Notes held by it to be forthwith due and payable within the next thirty (30) days whereupon each of the same shall become so payable at the Optional Redemption Amount without presentment, demand, protest or other notice of any kind.

If the Optional Redemption Amount is not available on such date, the Issuer undertakes to use all reasonable means to promptly achieve a Full Repayment. In such a case, the Issuer may redeem the relevant Registered Notes after that date, including by instalments in accordance with Condition 6.4 above. The Registered Notes shall not be deemed fully redeemed unless and until, following the deduction of the Total Costs, there is still any Relevant Underlying left in the Portfolio.

The Registered Noteholders will not be entitled to any interest or other payment for the delay suffered in receiving the Optional Redemption Amount unless such delay has been caused by wilful misconduct or gross negligence of the Issuer.

## **11. PRESCRIPTION**

Claims against the Issuer for payment in respect of the Registered Notes shall be prescribed and become void unless made within ten years from the date on which the relevant payment first becomes due.



## **12. UPFRONT FEE, INTERNAL COMMISSION, ARRANGER FEE AND ONGOING COSTS**

- 12.1 Each Registered Noteholder expressly acknowledges and accepts that (A) (i) the Upfront Fee, (ii) the Internal Commission and (iii) the Arranger Fee will be deducted from the Subscription Price and (B) the calculation method used to amortise the Internal Commission and the Arranger Pre-funded Amounts over the relevant period may be different from the accounting method used in respect of the Portfolio in accordance with the applicable accounting principles.
- 12.2 In addition, each Registered Noteholder expressly acknowledges and accepts that up to two (2) per cent. of the Adjusted Nominal Value of each Registered Note will be set aside and recorded by the Issuer in on or more separate accounts created for the Portfolio to be used for the payment of Costs (the **Cash Ledger**). To the extent that cash is available in the Cash Ledger, all Costs shall be paid by the Issuer out of the Cash Ledger. The Issuer may determine the exact amount of the Cash Ledger at its sole discretion, subject to the limit above.
- 12.3 If the amount of cash held in the Cash Ledger (if any) is insufficient to pay the Costs, the Issuer is authorised to redeem such portion of the Underlying Securities as may be required to pay all outstanding Costs. Any surplus amount of the sale proceeds that has not been used to pay the Costs will be recorded in the Cash Ledger.

## **13. MEETINGS OF NOTEHOLDERS**

- 13.1 Articles 86 - 94-8 of the Companies Act 1915 are not applicable to the Registered Notes.
- 13.2 The prospectus in respect of the Registered Notes contains detailed provisions for convening (i) meetings of the Registered Noteholders, (ii) joint meeting of holders of more than one series of notes in definitive registered form issued by the Company under one or more of its segregated portfolios (including, where applicable, the Registered Notes), (iii) joint meetings of holders of more than one series of the Portfolio Notes (including notes in both definitive registered form and bearer form) and (iv) joint meetings of holders of more than one series of outstanding notes (including notes in both definitive registered form and bearer form) issued by the Company under more than one of its segregated portfolios.
- 13.3 At meetings of the Registered Noteholders, the Registered Noteholders will deliberate and resolve on matters that relate specifically and exclusively to the Registered Notes. A meeting of the Registered Noteholders shall have powers:
- (a) to sanction the release of the Issuer from the payment of all or any part of the monies payable pursuant to these Conditions in respect of the Registered Notes;
  - (b) (subject to Condition 14 below) to sanction any modification of the Conditions specifically affecting the rights of the Registered Noteholders; and
  - (c) to vote on any resolutions tabled by the board of directors of the Company and specifically affecting the Registered Notes.
- 13.4 For the avoidance of doubt, a resolution which affects noteholders of more than one series of notes issued by the Issuer or the Company (as applicable) may be passed at a single meeting of noteholders only if it does not give rise to a conflict of interest between such noteholders.
- 13.5 Subject to Condition 13.4 above:
- (a) at joint meeting of holders of more than one series of notes in definitive registered form issued by the Company under one or more of its segregated portfolios

(including, where applicable, the Registered Notes), the relevant noteholders will deliberate and resolve on matters that relate to such notes;

- (b) at joint meetings of holders of more than one series of the Portfolio Notes (including notes in both definitive registered form and bearer form), the relevant Portfolio Noteholders (including, where applicable, the Registered Noteholders) will deliberate and resolve on matters that relate to such Portfolio Notes and the Portfolio in general; and
- (c) at joint meetings of holders of more than one series of outstanding notes issued by the Company under any and all of its segregated portfolios, the relevant holders (including, where applicable, the Registered Noteholders) will deliberate and resolve on matters that relate to such notes or the Company in general.

#### **14. MODIFICATION**

The Issuer may make, without the consent of the Registered Noteholders, any modification to the Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Company is incorporated or to reflect any change of law which has an impact on the Issuer's obligations under the Registered Notes.

Any such modification shall be binding on the Registered Noteholders and any such modification shall be notified to the Registered Noteholders by way of a notice in accordance with Condition 16 (*Notices*).

No modifications to the Conditions may be made by the Registered Noteholders without the Issuer's written consent.

Notwithstanding any other provision in these Conditions, no modification may be made to the Conditions without the prior written consent of entities acting as account banks in connection with the Portfolio Notes and/or paying agents and securities custodians in connection with the Portfolio Notes in bearer form if such modification would have an effect to lower the rank of such entities in the order of payment of Costs.

#### **15. FURTHER ISSUES**

The Issuer may from time to time, without the consent of the Registered Noteholders, create and issue under the Portfolio further notes (i) having the same Conditions in all respects as the outstanding Registered Notes except for the Issue Date, so that such further issue shall be consolidated and form a single series with the outstanding Registered Notes, and references in these Conditions to the Registered Notes shall be construed accordingly or (ii) upon such terms and conditions as the Issuer may determine at the time of their issue (including, but not limited to, the Bearer Notes). In addition, the Company may, without the consent of the Registered Noteholders, issue all types of securities under other segregated portfolios set up by it. The Issuer will inform the existing Registered Noteholders of any issuance of further Notes under the Portfolio pursuant to (ii) via a notice in accordance with Condition 16.

#### **16. NOTICES**

##### **16.1 Form of notice**

A notice:

- (i) must be in the English language; and

- (ii) may be given by the addressor itself or on behalf of the addressor by a solicitor, director or company secretary of the addressor.

## 16.2 Notices to the Registered Noteholders

All notices to the Registered Noteholders (including notices convening a meeting of Registered Noteholders) will be deemed to be validly given if published on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)) or in a newspaper with a general circulation in a jurisdiction where the Registered Notes have been or will be offered to the public (the **Public Offer Jurisdictions**). Any such notice will be deemed to have been given on the date of the first publication. A detailed up-to-date list of the relevant newspapers in each Public Offer Jurisdiction is published on the Issuer's website ([www.timberland-securities.com](http://www.timberland-securities.com)).

## 16.3 Notices to the Issuer

All notices to the Issuer will be deemed to be validly given if sent by registered mail to the Registrar and Transfer Agent at its specified office or the Issuer at its registered office as published in the files of the Registrar of Companies in the Cayman Islands and will be deemed to have been given on the fifth (5th) Business Day after mailing.

## 17. REGISTRAR AND TRANSFER AGENT AND DISTRIBUTION AGENT

Each of the Registrar and Transfer Agent and the Distribution Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Registered Noteholders. The Issuer reserves the right at any time, without the prior approval of the Registered Noteholders, to vary or terminate the appointment of each of the Registrar and Transfer Agent and the Distribution Agent, provided that the Issuer will at all times maintain a Registrar and Transfer Agent and a Distribution Agent having a specified office in the European Union. Notice of any such change will promptly be given to the Registered Noteholders in accordance with Condition 16 (*Notices*).

Each of the Registrar and Transfer Agent and the Distribution Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

## 18. SUBSTITUTION OF THE ISSUER

The Issuer shall be entitled at any time, without the consent of the Portfolio Noteholders, if no payment of principal of and/or interest on any of the Portfolio Notes is in default, to substitute for the Issuer another securitisation undertaking (the **Substitute Debtor**) as principle debtor under all Portfolio Notes in respect of any and all obligations arising from and in connection with these Portfolio Notes, provided that:

- (a) the Substitute Debtor is solvent and can perform all obligations under and in connection with the Portfolio Notes;
- (b) no liquidation, winding-up, insolvency proceedings or similar reorganisation measures are opened or imminent in respect of the Substitute Debtor;
- (c) the Substitute Debtor has been granted all necessary consents (excluding, for the avoidance of any doubt, the approval of a prospectus for the public offering of the Registered Notes) from the authorities of the country in which it has its registered office;
- (d) the Issuer has transferred the Underlying to the Substitute Debtor; and

- (e) the substitution of the Substitute Debtor for the Issuer does not result in additional tax, duty or governmental charge being directly or indirectly imposed on the Portfolio Noteholders.

Notice of any such substitution shall be given to the Registered Noteholders in accordance with Condition 16.

The Issuer will not guarantee the obligations of the Substitute Debtor under the Portfolio Notes after the substitution. The Portfolio Noteholders, by subscribing for, or otherwise acquiring, the Portfolio Notes, are deemed to have (i) consented to any substitution of the Issuer effected in accordance with this Condition 18 and to the release of the Issuer from any and all obligations in respect of the relevant Portfolio Notes and these presents; and (ii) accepted such substitution and the consequences thereof.

After the substitution of the Issuer by a Substitute Debtor this Condition 18 shall apply again.

In the event of such a substitution, every reference in these Conditions to the Issuer shall be deemed to refer to the Substitute Debtor.

## **19. GOVERNING LAW AND JURISDICTION**

### **19.1 Governing Law**

The Registered Notes are governed by, and shall be construed in accordance with, Luxembourg law.

### **19.2 Jurisdiction**

The Luxembourg district courts are to have jurisdiction to settle any disputes which may arise out of or in connection with the Registered Notes and accordingly any legal action or proceedings arising out of or in connection with the Registered Notes (**Proceedings**) may be brought in such courts. Each of the Issuer and the Registered Noteholders irrevocably submit to the jurisdiction of the Luxembourg district courts and waive any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

## CONDITIONS OF THE OPTIMIX B REGISTERED NOTES

The Conditions of the Optimix B Registered Notes are in all respects identical to the Conditions of the Optimix A Registered Notes except that :

a reference to “Optimix A” shall be a reference to “Optimix B”; and

**Weighting** means the following application of the Total Contribution: approximately (i) 60 per cent. to subscribe for Equity Portfolio Limited Recourse Bonds; (ii) 20 per cent. to subscribe for Bonds Portfolio Limited Recourse Bonds; (iii) 20 per cent. to subscribe for Precious Metals Portfolio Limited Recourse Bonds; (iv) 0 per cent. to subscribe for Currency Portfolio Limited Recourse Bonds; and (v) 0 per cent. to subscribe for Top-10 Portfolio Limited Recourse Bonds.

## CONDITIONS OF THE OPTIMIX C REGISTERED NOTES

The Conditions of the Optimix C Registered Notes are in all respects identical to the Conditions of the Optimix A Registered Notes except that :

a reference to “Optimix A” shall be a reference to “Optimix C”; and

**Weighting** means the following application of the Total Contribution: approximately (i) 50 per cent. to subscribe for Equity Portfolio Limited Recourse Bonds; (ii) 25 per cent. to subscribe for Bonds Portfolio Limited Recourse Bonds; (iii) 25 per cent. to subscribe for Precious Metals Portfolio Limited Recourse Bonds; (iv) 0 per cent. to subscribe for Currency Portfolio Limited Recourse Bonds; and (v) 0 per cent. to subscribe for Top-10 Portfolio Limited Recourse Bonds.

## CONDITIONS OF THE PRECIOUS METALS REGISTERED NOTES

The Conditions of the Precious Metals Registered Notes are in all respects identical to the Conditions of the Optimix A Registered Notes except that :

a reference to “Optimix A” shall be a reference to “Precious Metals”; and

**Weighting** means the following application of the Total Contribution: approximately (i) 0 per cent. to subscribe for Equity Portfolio Limited Recourse Bonds; (ii) 0 per cent. to subscribe for Bonds Portfolio Limited Recourse Bonds; (iii) 100 per cent. to subscribe for Precious Metals Portfolio Limited Recourse Bonds; (iv) 0 per cent. to subscribe for Currency Portfolio Limited Recourse Bonds; and (v) 0 per cent. to subscribe for Top-10 Portfolio Limited Recourse Bonds.

## CONDITIONS OF THE CURRENCY FUNDS REGISTERED NOTES

The Conditions of the Currency Funds Registered Notes are in all respects identical to the Conditions of the Optimix A Registered Notes except that :

a reference to “Optimix A” shall be a reference to “Currency Funds”; and

**Weighting** means the following application of the Total Contribution: approximately (i) 0 per cent. to subscribe for Equity Portfolio Limited Recourse Bonds; (ii) 10 per cent. to subscribe for Bonds Portfolio Limited Recourse Bonds; (iii) 0 per cent. to subscribe for Precious Metals Portfolio Limited Recourse Bonds; (iv) 90 per cent. to subscribe for Currency Portfolio Limited Recourse Bonds; and (v) 0 per cent. to subscribe for Top-10 Portfolio Limited Recourse Bonds.



## CONDITIONS OF THE TOP-10 REGISTERED NOTES

The Conditions of the Top-10 Registered Notes are in all respects identical to the Conditions of the Optimix A Registered Notes except that :

a reference to “Optimix A” shall be a reference to “Top-10”; and

**Weighting** means the following application of the Total Contribution: approximately (i) 0 per cent. to subscribe for Equity Portfolio Limited Recourse Bonds; (ii) 30 per cent. to subscribe for Bonds Portfolio Limited Recourse Bonds; (iii) 0 per cent. to subscribe for Precious Metals Portfolio Limited Recourse Bonds; (iv) 0 per cent. to subscribe for Currency Portfolio Limited Recourse Bonds; and (v) 70 per cent. to subscribe for Top-10 Portfolio Limited Recourse Bonds.

## NOTEHOLDER MEETING PROVISIONS

### 1. DEFINITIONS

As used herein, the following expressions have the following meanings unless the context otherwise requires:

**voting certificate** means an English language certificate issued by the Bearer Notes Paying Agent and dated in which it is stated that the bearer of the voting certificate is entitled to attend and vote at the meeting and any adjourned meeting in respect of the Bearer Notes represented by the certificate;

**block voting instruction** means an English language document issued by the Bearer Notes Paying Agent and dated which:

(a) relates to a specified nominal amount of Bearer Notes and a meeting (or adjourned meeting) of the holders of the Series of which those Bearer Notes form part;

(b) states that the Bearer Notes Paying Agent has been instructed (either by the holders of the Bearer Notes or by a relevant clearing system) to attend the meeting and procure that the votes attributable to the Bearer Notes are cast at the meeting in accordance with the instructions given;

(c) identifies with regard to each resolution to be proposed at the meeting the nominal amount of Bearer Notes in respect of which instructions have been given that the votes attributable to them should be cast in favour of the resolution and the nominal amount of Bearer Notes in respect of which instructions have been given that the votes attributable to them should be cast against the resolution; and

(d) states that one or more named persons (each a proxy) is or are authorised and instructed by the Bearer Notes Paying Agent to cast the votes attributable to the Bearer Notes identified in accordance with the instructions referred to in (c) as set out in the block voting instruction;

a **relevant clearing system** means, in respect of any Bearer Notes represented by a Global Note, any clearing system on behalf of which the Global Note is held or which is the bearer of the Global Note, in either case whether alone or jointly with any other clearing system(s);

**24 hours** means a period of 24 hours including all or part of a day on which banks are open for business both in the place where the meeting is to be held and in the place where the Bearer Notes Paying Agent and/or the Registrar and Transfer Agent (as applicable) has its specified office (disregarding for this purpose the day on which the meeting is to be held); and

**48 hours** means a period of 48 hours including all or part of two days on which banks are open for business both in the place where the meeting is to be held and in the place where the Bearer Notes Paying Agent or the Registrar and Transfer Agent (as applicable) has its specified office (disregarding for this purpose the day on which the meeting is to be held).

References in this section to the Bearer Notes or the Registered Notes are to the Series of Bearer Notes or Registered Notes in respect of which the meeting is, or is proposed to be, convened. References in this section to the Notes are to the Series of Bearer Notes, the Series of the Registered Notes or to the Series of Bearer Notes and Series the Registered Notes collectively (as applicable) in respect of which the meeting is, or is proposed to be, convened and references to the Noteholders shall be construed accordingly.

For the purposes of calculating a period of clear days, no account shall be taken of the day on which a period commences or the day on which a period ends.

### 2. EVIDENCE OF ENTITLEMENT TO ATTEND AND VOTE

2.1 The following persons (each an **Eligible Person**) are entitled to attend and vote at a meeting of the holders of Notes:

- (a) a holder of any Bearer Notes in definitive bearer form;
- (b) a bearer of any voting certificate in respect of the Bearer Notes;
- (c) a proxy specified in any block voting instruction;
- (d) a holder of a Registered Note; and
- (e) a proxy appointed by a holder of a Registered Note.

A Bearer Noteholder may require the issue by the Bearer Notes Paying Agent of voting certificates and block voting instructions in accordance with the terms of subclauses 2.2 to 2.5.

For the purposes of subclauses 2.2 and 2.5, the Bearer Notes Paying Agent shall be entitled to rely, without further enquiry, on any information or instructions received from a relevant clearing system and shall have no liability to any Bearer Noteholder or other person for any loss, damage, cost, claim or other liability caused by its reliance on those instructions, nor for any failure by a relevant clearing system to deliver information or instructions to the Bearer Notes Paying Agent.

The holder of any voting certificate or the proxies named in any block voting instruction shall for all purposes in connection with the meeting or adjourned meeting be deemed to be the holder of the Bearer Notes to which the voting certificate or block voting instruction relates and the Bearer Notes Paying Agent with which the Bearer Notes have been deposited or the person holding the Bearer Notes to the order or under the control of any Bearer Notes Paying Agent shall be deemed for those purposes not to be the holder of those Bearer Notes.

## 2.2 Definitive Bearer Notes - voting certificate

A holder of a Bearer Note in definitive form may obtain a voting certificate in respect of that Bearer Note from the Bearer Notes Paying Agent (unless the Bearer Note is the subject of a block voting instruction which has been issued and is outstanding in respect of the meeting specified in the voting certificate or any adjourned meeting) subject to the holder procuring that the Bearer Note is deposited with the Bearer Notes Paying Agent or (to the satisfaction of the Bearer Notes Paying Agent) is held to its order or under its control or blocked in an account with a relevant clearing system upon terms that the Bearer Note will not cease to be deposited or held or blocked until the first to occur of:

- (a) the conclusion of the meeting specified in the voting certificate or, if later, of any adjourned meeting; and
- (b) the surrender of the voting certificate to the Bearer Notes Paying Agent who issued it.

## 2.3 Global Notes - voting certificate

A holder of a Bearer Note (not being a Bearer Note in respect of which instructions have been given to the Bearer Notes Paying Agent in accordance with subclause 2.5) represented by a Global Note may procure the delivery of a voting certificate in respect of that Bearer Note by giving notice to the relevant clearing system specifying by name a person (an **Identified Person**) (which need not be the holder himself) to collect the voting certificate and attend and vote at the meeting. The voting certificate will be made available at or shortly before the start of the meeting by the Bearer Notes Paying Agent against presentation by the Identified Person of the form of identification previously notified by the holder to the relevant clearing system. The relevant clearing system may prescribe forms of identification (including, without limitation, passports) which it considers appropriate for these purposes. Subject to receipt by the Bearer Notes Paying Agent from the relevant clearing

system, no later than 48 hours before the time for which the meeting is convened, of notification of the nominal amount of the Bearer Notes to be represented by any voting certificate and the form of identification against presentation of which the voting certificate should be released, the Bearer Notes Paying Agent shall, without any obligation to make further enquiry, make available voting certificates against presentation of forms of identification corresponding to those notified.

#### 2.4 Definitive Bearer Notes - block voting instruction

A holder of a Bearer Note in definitive form may require the Bearer Notes Paying Agent to issue a block voting instruction in respect of that Bearer Note (unless the Bearer Note is the subject of a voting certificate which has been issued and is outstanding in respect of the meeting specified in the block voting instruction or any adjourned meeting) by depositing the Bearer Note with the Bearer Notes Paying Agent or (to the satisfaction of the Bearer Notes Paying Agent) by:

(a) procuring that, not less than 48 hours before the time fixed for the meeting, the Bearer Note is held to the Bearer Notes Paying Agent's order or under its control or is blocked in an account with a relevant clearing system, in each case on terms that the Bearer Note will not cease to be so deposited or held or blocked until the first to occur of:

(i) the conclusion of the meeting specified in the block voting instruction or, if later, of any adjourned meeting; and

(ii) the surrender to the Bearer Notes Paying Agent, not less than 48 hours before the time for which the meeting or any adjourned meeting is convened, of the receipt issued by the Bearer Notes Paying Agent in respect of each deposited Bearer Note which is to be released or (as the case may require) the Bearer Note ceasing with the agreement of the Bearer Notes Paying Agent to be held to its order or under its control or to be blocked and the giving of notice by the Bearer Notes Paying Agent to the Issuer in accordance with subclause 2.5 of the necessary amendment to the block voting instruction; and

(b) instructing the Bearer Notes Paying Agent that the vote(s) attributable to each Bearer Note so deposited or held or blocked should be cast in a particular way in relation to the resolution or resolutions to be put to the meeting or any adjourned meeting and that the instruction is, during the period commencing 48 hours before the time for which the meeting or any adjourned meeting is convened and ending at the conclusion or adjournment of the meeting, neither revocable nor capable of amendment.

#### 2.5 Global Notes - block voting instruction

(a) A holder of a Bearer Note (not being a Bearer Note in respect of which a voting certificate has been issued) represented by a Global Note may require the Bearer Notes Paying Agent to issue a block voting instruction in respect of the Bearer Note by first instructing the relevant clearing system to procure that the votes attributable to the holder's Bearer Note should be cast at the meeting in a particular way in relation to the resolution or resolutions to be put to the meeting. Any such instruction shall be given in accordance with the rules of the relevant clearing system then in effect. Subject to receipt by the Bearer Notes Paying Agent, no later than 48 hours before the time for which the meeting is convened, of (i) instructions from the relevant clearing system, (ii) notification of the nominal amount of the Bearer Notes in respect of which instructions have been given and (iii) the manner in which the votes attributable to the Bearer Notes should be cast, the Bearer Notes Paying Agent shall, without any obligation to make further enquiry, attend the meeting and cast votes in accordance with those instructions.

(b) Each block voting instruction shall be deposited by the relevant Bearer Notes Paying Agent at the place specified by the Bearer Notes Paying Agent for the purpose not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the block voting instruction propose to vote, and in default the block voting instruction shall not be

treated as valid unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business. A certified copy of each block voting instruction shall (if so requested by the Issuer) be deposited with the Issuer before the start of the meeting or adjourned meeting but the Issuer shall not as a result be obliged to investigate or be concerned with the validity of or the authority of the proxies named in the block voting instruction.

(c) Any vote given in accordance with the terms of a block voting instruction shall be valid notwithstanding the previous revocation or amendment of the block voting instruction or of any of the instructions of the relevant Bearer Noteholder or the relevant clearing system (as the case may be) pursuant to which it was executed provided that no indication in writing of any revocation or amendment has been received from the relevant Bearer Notes Paying Agent by the Issuer at its registered office by the time being 24 hours before the time appointed for holding the meeting or adjourned meeting at which the block voting instruction is to be used.

## 2.6 Registered Notes - appointment of proxy

(a) A holder of Registered Notes may, by an instrument in writing in the English language (a **form of proxy**) signed by the holder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation and delivered to the specified office of the Registrar and Transfer Agent not less than 48 hours before the time fixed for the relevant meeting, appoint any person (a proxy) to act on his or its behalf in connection with any meeting.

(b) Any proxy appointed pursuant to subclause 2.6(a) above shall so long as such appointment remains in force be deemed, for all purposes in connection with the relevant meeting, to be the holder of the Registered Notes to which such appointment relates and the holders of the Registered Notes shall be deemed for such purposes not to be the holder.

(c) Each form of proxy shall be deposited by the Registrar and Transfer Agent with the Issuer at its registered office not less than 24 hours before the time appointed for holding the meeting at which the proxy or proxies named in the form of proxy proposes to vote, and in default form of proxy shall not be treated as valid unless the chairman of the meeting decides otherwise before such meeting proceeds to business. A copy of each form of proxy shall be deposited with the Issuer before the commencement of the meeting but the Issuer shall not thereby be obliged to investigate or be concerned with the validity of or the authority of the proxy or proxies named in any such form of proxy.

(d) Any vote given in accordance with the terms of a form of proxy shall be valid notwithstanding the previous revocation or amendment of the form of proxy provided that no indication in writing of such revocation or amendment has been received from the holder thereof by the Issuer at its registered office by the time being 48 hours before the time appointed for holding the meeting at which the form of proxy is to be used.

## 3. CONVENING OF MEETINGS, QUORUM, ADJOURNED MEETINGS

3.1 The Issuer may at any time and, if required in writing by Noteholders holding not less than 51.01 per cent. in nominal amount of the Notes for the time being outstanding, shall convene a meeting of the Noteholders and if the Issuer fails for a period of seven days to convene the meeting the meeting may be convened by the relevant Noteholders. Whenever the Issuer is about to convene any meeting it shall immediately give notice in writing to the Bearer Notes Paying Agent and/or the Registrar and Transfer Agent (as applicable) of the day, time and place of the meeting and of the nature of the business to be transacted at the meeting.

3.2 At least 21 clear days' notice specifying the place, day and hour of the meeting shall be given to the Noteholders in the manner provided in in the relevant terms and conditions of the Notes. The notice, which shall be in the English language, shall state generally the nature of the business to

be transacted at the meeting and shall either (i) include statements as to the manner in which holders may, if applicable, appoint proxies or representatives and (in the case of Bearer Notes) arrange for voting certificates or block voting instructions to be issued, or (ii) inform Noteholders that details of the voting arrangements are available free of charge from the Bearer Notes Paying Agent (in the case of Bearer Notes) and the Registrar and Transfer Agent (in the case of Registered Notes), provided that, in the case of (ii) the final form of such details are so available with effect on and from the date on which the notice convening such meeting is given as aforesaid. A copy of the notice shall be sent by post to the Issuer (unless the meeting is convened by the Issuer).

3.3 The person (who may but need not be a Noteholder) nominated in writing by the Issuer shall be entitled to take the chair at each meeting but if no nomination is made or if at any meeting the person nominated is not present within 15 minutes after the time appointed for holding the meeting the Noteholders present shall choose one of their number to be chairman failing which the Issuer may appoint a chairman. The chairman of an adjourned meeting need not be the same person as was chairman of the meeting from which the adjournment took place.

3.4 At any meeting one or more Eligible Persons present and holding or representing in the aggregate not less than 51 per cent. in nominal amount of the Notes for the time being outstanding shall form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the required quorum is present at the commencement of business.

3.5 If within 15 minutes (or such longer period not exceeding 30 minutes as the chairman may decide) after the time appointed for any meeting a quorum is not present for the transaction of any particular business, then, subject and without prejudice to the transaction of the business (if any) for which a quorum is present, the meeting shall if convened by Noteholders be dissolved. In any other case it shall be adjourned to the same day in the next week (or if that day is a public holiday the next following business day) at the same time and place.

3.6 At any adjourned meeting one or more Eligible Persons present (whatever the nominal amount of the Notes so held or represented by them) shall form a quorum and shall have power to pass any resolution or any other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the required quorum been present.

#### 4. CONDUCT OF BUSINESS AT MEETINGS

4.1 Every question submitted to a meeting shall be decided by a poll. In the case of an equality of votes for any resolution which does not require any particular quorum, the resolution shall be deemed to be rejected.

4.2 The chairman may, with the consent of any meeting, adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.

4.3 Any poll on the election of a chairman or on any question of adjournment shall be taken at the meeting without adjournment.

4.4 Any director or officer of the Issuer and its lawyers and financial advisers may attend and speak at any meeting. Subject to this, no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requiring the convening of a meeting unless he is an Eligible Person. No person shall be entitled to vote at any meeting in respect of Notes held by, for the benefit of, or on behalf of the Issuer. Nothing contained in this subclause shall prevent any of the proxies named in any block voting instruction from being a director, officer or representative of or otherwise connected with the Issuer.

4.5 Subject as provided in subclause 4.4 above, at any meeting, every Eligible Person present shall have one vote in respect of one Note.

Without prejudice to the obligations of the proxies named in any block voting instruction, any person entitled to cast more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

4.6 The proxies named in any block voting instruction need not be Noteholders.

4.7 A meeting of the Noteholders shall have powers specified in the terms and conditions of the relevant Notes. All powers shall be exercisable by a meeting of the Noteholders by a resolution adopted by a simple majority of the votes cast (subject to the provisions relating to quorum contained in subclauses 3.4 and 3.6). Notwithstanding any provision to the contrary in this section or the terms and conditions of the Notes, no modification may be made to the terms and conditions of the Notes without the prior written consent of entities acting as account banks in connection with the Notes and/or paying agents and securities custodians in connection with the Bearer Notes if such modification would have an effect to lower the rank of such entities in the order of payment of Costs (as defined in the terms and conditions of the Notes) set out in the terms and conditions of the Notes.

4.8 Any resolution passed at a meeting of the Noteholders duly convened and held in accordance with these provisions shall be binding upon all the Noteholders whether present or not present at the meeting and whether or not voting and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify its passing. Notice of the result of voting on any resolution duly considered by the Noteholders shall be published in accordance with the terms and conditions of the Notes by the Issuer within 14 days of the result being known provided that non-publication shall not invalidate the resolution.

4.9 Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any minutes signed by the chairman of the meeting at which any resolution was passed or proceedings had shall be conclusive evidence of the matters contained in them and, until the contrary is proved, every meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had at the meeting to have been duly passed or had.

If and whenever the Issuer has issued and has outstanding Notes of more than one Series the previous provisions of this section shall have effect subject to the following changes:

- a resolution which affects the Notes of only one Series shall be deemed to have been duly passed if passed at a separate meeting of the holders of the Notes of that Series;
- a resolution which affects the Notes of more than one Series but does not give rise to a conflict of interest between the holders of Notes of any of the Series so affected shall be deemed to have been duly passed if passed at a single meeting of the holders of the Notes of all the Series so affected;
- a resolution which affects the Notes of more than one Series and gives or may give rise to a conflict of interest between the holders of the Notes of one Series or group of Series so affected and the holders of the Notes of another Series or group of Series so affected shall be deemed to have been duly passed only if it is duly passed at separate meetings of the holders of the Notes of each Series or group of Series so affected; and
- to all such meetings all the preceding provisions of this section shall *mutatis mutandis* apply as though references therein to Notes, Noteholders and holders were references to the Notes of the Series or group of Series in question or to the holders of such Notes, as the case may be.





## DESCRIPTION OF EQUITY PORTFOLIO LIMITED RECOURSE BONDS

Timberland Investment acting in respect of its Equity Portfolio Compartment (as defined below) may issue Series 2015 Equity Portfolio Limited Recourse Bonds (the **Equity Portfolio Limited Recourse Bonds**) on an ongoing basis subject to investor demand. The Equity Portfolio Limited Recourse Bonds have not been approved or recommended by any Luxembourg or foreign authority or securities commission. The Equity Portfolio Limited Recourse Bonds will not be offered to the public or admitted to trading and listed on any regulated market or on any alternative market. The Equity Portfolio Limited Recourse Bonds will be integrally subscribed by the Issuer.

### 1. EQUITY PORTFOLIO COMPARTMENT

A separate compartment (within the meaning given to such term in articles 62 *et seq* of the Securitisation Act 2004) called “the Equity Portfolio Compartment” was created by the board of directors of Timberland Investment on 10 July 2015 (the **Equity Portfolio Compartment**). The Equity Portfolio Compartment constitutes a separate part of Timberland Investment's assets and liabilities. The assets allocated to the Equity Portfolio Compartment are in principle exclusively available to satisfy the rights of holders of the Equity Portfolio Limited Recourse Bonds, the rights of the holders of any other series of bonds issued by Timberland Investment under the Equity Portfolio Compartment and the rights of the creditors whose claims have arisen as a result of the creation, the operation or the liquidation of the Equity Portfolio Compartment, as contemplated by the Timberland Investment Articles. The Equity Portfolio Compartment (comprising the Equity Portfolio (as defined below) is governed by Luxembourg law.

### 2. FORM AND DENOMINATION

Equity Portfolio Limited Recourse Bonds are issued in registered form only and have a nominal value of EUR0.01 (one cent) each. Equity Portfolio Limited Recourse Bond may be issued in any integral multiple of such nominal value.

### 3. TRANSFER AND TITLE

- (a) Title to Equity Portfolio Limited Recourse Bonds passes only by registration in the register of holders of Equity Portfolio Limited Recourse Bonds kept by Timberland Investment at its registered office. Ownership in respect of the Equity Portfolio Limited Recourse Bonds is established by the registration in such register.
- (b) The holding of Equity Portfolio Limited Recourse Bonds may be transferred in whole but not in part in order that there shall at all times be only one holder of all outstanding Equity Portfolio Limited Recourse Bonds.

### 4. NO MATURITY

The Equity Portfolio Limited Recourse Bonds do not have a stated maturity date.

### 5. STATUS AND RANKING

Equity Portfolio Limited Recourse Bonds constitute direct, unsecured limited recourse obligations of Timberland Investment and rank *pari passu* and rateably, without any preference among themselves, with all other existing direct unsecured limited recourse pass through indebtedness of Timberland Investment, which has been or will be allocated to the Equity Portfolio Compartment but, in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), only to the extent permitted by applicable laws relating to creditors' rights generally.

## 6. INTEREST / COUPON

No interest or coupon is payable in respect of Equity Portfolio Limited Recourse Bonds.

## 7. REDEMPTION RIGHTS

- (a) Equity Portfolio Limited Recourse Bonds are redeemable at the Redemption Amount. The **Redemption Amount**:
- (i) will depend on the value of such portion of assets allocated to the Equity Portfolio Compartment (the Equity Portfolio Underlying) as corresponds to the number of the outstanding Equity Portfolio Limited Recourse Bonds to be redeemed; and
  - (ii) will be equal to the sum of (A) the relevant portion of the Equity Portfolio Underlying already held in the form of cash and (B) the amount received by Timberland Investment in connection with the redemption, disposal or enforcement (as applicable) of the relevant portion of the non-cash Equity Portfolio Underlying MINUS any unpaid costs.
- (b) Unless previously purchased and cancelled, the Equity Portfolio Limited Recourse Bonds will be redeemed at the Redemption Amount by Timberland Investment. In limited circumstances, such as when the obligations of Timberland Investment arising under, or in connection with, the Equity Portfolio Limited Recourse Bonds become, in the opinion and at the discretion of Timberland Investment, unreasonably burdensome, Timberland Investment may redeem (in whole but not in part) the Equity Portfolio Limited Recourse Bonds.
- (c) Without prejudice to its right of redemption in connection with an event of default (as provided for in the terms and conditions of Equity Portfolio Limited Recourse Bonds), the holder of Equity Portfolio Limited Recourse Bonds may request the redemption of all or part of the bonds held by it any time.

## 8. COSTS

Up to two (2) *per cent.* of the issue proceeds of the Equity Portfolio Limited Recourse Bonds will be set aside and recorded by Timberland Investment in a separate ledger (the **Cash Ledger**) to be used for the payment of (i) costs and expenses incurred by Timberland Investment in connection with, and relating to, the Equity Portfolio Limited Recourse Bonds and the Equity Portfolio Compartment or (ii) the relevant proportion of general costs of Timberland Investment allocated to the Equity Portfolio Compartment in accordance with the Timberland Investment Articles. Timberland Investment may determine the amount of the Cash Ledger at its sole discretion.

Costs and expenses incurred by Timberland Investment in connection with the Equity Portfolio Compartment include the Advisory Fee (as defined below).

**Advisory Fee** means the amount calculated by the Calculation Agent at the end of each calendar month using the fair value principle and payable by Timberland Investment to Timberland Fund Management Ltd. in respect of the Equity Portfolio Compartment, which shall be equal to the sum of

- (A) the higher of:
- the sum of
  - (i) 0.07916 *per cent.* per month of the tranche of the Adjusted Net Asset Value (as defined below) below EUR25,000,000; and

- (ii) 0.07083 *per cent.* per month of the tranche of the Adjusted Net Asset Value between EUR25,000,000 and EUR 50,000,000; and
- (iii) 0.0625 *per cent.* per month of the tranche of the Adjusted Net Asset Value above EUR50,000,000

or

the amount of EUR2,500 per month during the year 2015 or EUR4,000 per month during the year 2016 and all subsequent years;

and

(B) the sum of

- (i) for the tranche of the Adjusted Net Asset Value below EUR25,000,000, a performance-based amount equal to 12.5 *per cent.* of the Net Increase of the NAV (as defined below); and
- (ii) for the tranche of the Adjusted Net Asset Value between EUR25,000,000 and EUR50,000,000, a performance-based amount equal to 10 *per cent.* of the Net Increase of the NAV; and
- (iii) for the tranche of the Adjusted Net Asset Value above EUR50,000,000 a performance-based amount equal to 7.5 *per cent.* of the Net Increase of the NAV

increased for (A) and (B) by the amount of VAT (as far as VAT is payable in respect of such performance-based amount in Luxemburg), where:

**Adjusted Net Asset Value** means the net value of the Equity Portfolio Compartment calculated by the Calculation Agent using the fair value principle (that is, independently of the principles of LUX GAAP (historical costs less durable impairments) or IFRS as the accounting principles applicable to Timberland Investment and its compartments) and reduced by, if applicable, the net value of the assets invested in Timberland Top-Dividende International (TL A) and Timberland Top-Dividende International (TL D).

**Net Increase of the NAV** means the positive difference between (i) the Adjusted Net Asset Value at the end of a given calendar month (the **Relevant Month**) of the Equity Portfolio Compartment compared at the end of the Relevant Month to (ii) the Adjusted Net Asset Value at the end of the immediately preceding calendar month of the Equity Portfolio Compartment, adjusted by (a) the Cash Inflows at the end of the Relevant Months and (b) the Cash Outflows at the end of the Relevant Month, where:

- (a) **Cash Inflows** means the aggregate amount received by Timberland Investment from the Issuer in the Relevant Month as consideration for the Equity Portfolio Limited Recourse Bonds; and
- (b) **Cash Outflows** means the aggregate amount paid by Timberland Investment to the Issuer in the Relevant Month in order to redeem (if applicable) the Equity Portfolio Limited Recourse Bonds.

If no amount under (B) is due during one fiscal year, the basis for the subsequent determination of the Net Increase of the NAV will be the last Adjusted Net Asset Value of the ended fiscal year.

The amount under (B) is due at the end of each Relevant Month.

## 9. FURTHER ISSUES

Timberland Investment may from time to time, with the consent of the holder of Equity Portfolio Limited Recourse Bonds, create and issue under the Equity Portfolio Compartment further bonds (i) having the same terms and conditions in all respects as the outstanding Equity Portfolio Limited Recourse Bonds except for the issue date, so that such further issue shall be consolidated and form a single series with the outstanding Equity Portfolio Limited Recourse Bonds or (ii) upon such terms and conditions as Timberland Investment may determine at the time of their issue. Timberland Investment may, without the consent of the holder of Equity Portfolio Limited Recourse Bonds, issue all types of securities under other compartments set up by it.

## 10. GOVERNING LAW

Equity Portfolio Limited Recourse Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

## 11. USE OF PROCEEDS

Timberland Investment invests the net issue proceeds of the Equity Portfolio Limited Recourse Bonds into a selection of different series of Fund Shares. All Fund Shares subscribed for or otherwise acquired by Timberland Investment acting in respect of the Equity Portfolio Compartment form part of a separate investment portfolio of Timberland Investment (the **Equity Portfolio**) and are allocated to the Equity Portfolio Compartment. The current composition of the Equity Portfolio is published on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)). Such information is available free of charge, subject to prior registration on the website.

Descriptions of each of the thirty-three (33) series of Fund Shares eligible for investment by Timberland Investment under the Equity Portfolio Compartment are set out in section “*Description of the Fund Shares*” of the Prospectus.

At any given time, Timberland Investment is entitled to invest in up to eight (8) preselected series of Fund Shares out of the thirty-three (33) eligible series of Fund Shares. A list of such preselected series of Fund Shares is updated every four (4) to six (6) weeks and can be viewed, together with the date of the upcoming update, on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)). Such information is available free of charge, subject to prior registration on the website.

A series of Fund Shares included in the Equity Portfolio may occasionally be removed from the Equity Portfolio and replaced by a different series of eligible Fund Shares if its characteristics no longer correspond to the investment profile of the Equity Portfolio.

## DESCRIPTION OF BONDS PORTFOLIO LIMITED RECOURSE BONDS

Timberland Investment acting in respect of its Bonds Portfolio Compartment (as defined below) may issue Series 2015 Bonds Portfolio Limited Recourse Bonds (the **Bonds Portfolio Limited Recourse Bonds**) on an ongoing basis subject to investor demand. The Bonds Portfolio Limited Recourse Bonds have not been approved or recommended by any Luxembourg or foreign authority or securities commission. The Bonds Portfolio Limited Recourse Bonds will not be offered to the public or admitted to trading and listed on any regulated market or on any alternative market. The Bonds Portfolio Limited Recourse Bonds will be integrally subscribed by the Issuer.

### 1. BONDS PORTFOLIO COMPARTMENT

A separate compartment (within the meaning given to such term in articles 62 *et seq* of the Securitisation Act 2004) called “the Bonds Portfolio Compartment” was created by the board of directors of Timberland Investment on 10 July 2015 (the **Bonds Portfolio Compartment**). The Bonds Portfolio Compartment constitutes a separate part of Timberland Investment's assets and liabilities. The assets allocated to the Bonds Portfolio Compartment are in principle exclusively available to satisfy the rights of holders of the Bonds Portfolio Limited Recourse Bonds, the rights of the holders of any other series of bonds issued by Timberland Investment under the Bonds Portfolio Compartment and the rights of the creditors whose claims have arisen as a result of the creation, the operation or the liquidation of the Bonds Portfolio Compartment, as contemplated by the Timberland Investment Articles. The Bonds Portfolio Compartment (comprising the Bonds Portfolio (as defined below) is governed by Luxembourg law.

### 2. FORM AND DENOMINATION

Bonds Portfolio Limited Recourse Bonds are issued in registered form only and have a nominal value of EUR0.01 (one cent) each. Bonds Portfolio Limited Recourse Bond may be issued in any integral multiple of such nominal value.

### 3. TRANSFER AND TITLE

- (a) Title to Bonds Portfolio Limited Recourse Bonds passes only by registration in the register of holders of Bonds Portfolio Limited Recourse Bonds kept by Timberland Investment at its registered office. Ownership in respect of the Bonds Portfolio Limited Recourse Bonds is established by the registration in such register.
- (b) The holding of Bonds Portfolio Limited Recourse Bonds may be transferred in whole but not in part in order that there shall at all times be only one holder of all outstanding Bonds Portfolio Limited Recourse Bonds.

### 4. NO MATURITY

The Bonds Portfolio Limited Recourse Bonds do not have a stated maturity date.

### 5. STATUS AND RANKING

Bonds Portfolio Limited Recourse Bonds constitute direct, unsecured limited recourse obligations of Timberland Investment and rank *pari passu* and rateably, without any preference among themselves, with all other existing direct unsecured limited recourse pass through indebtedness of Timberland Investment, which has been or will be allocated to the Bonds Portfolio Compartment but, in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), only to the extent permitted by applicable laws relating to creditors' rights generally.

## 6. INTEREST / COUPON

No interest or coupon is payable in respect of Bonds Portfolio Limited Recourse Bonds.

## 7. REDEMPTION RIGHTS

- (a) Bonds Portfolio Limited Recourse Bonds are redeemable at the Redemption Amount. The **Redemption Amount**:
- (i) will depend on the value of such portion of assets allocated to the Bonds Portfolio Compartment (the **Bonds Portfolio Underlying**) as corresponds to the number of the outstanding Bonds Portfolio Limited Recourse Bonds to be redeemed; and
  - (ii) will be equal to the sum of (A) the relevant portion of the Bonds Portfolio Underlying already held in the form of cash and (B) the amount received by Timberland Investment in connection with the redemption, disposal or enforcement (as applicable) of the relevant portion of the non-cash Bonds Portfolio Underlying MINUS any unpaid costs.
- (b) Unless previously purchased and cancelled, the Bonds Portfolio Limited Recourse Bonds will be redeemed at the Redemption Amount by Timberland Investment. In limited circumstances, such as when the obligations of Timberland Investment arising under, or in connection with, the Bonds Portfolio Limited Recourse Bonds become, in the opinion and at the discretion of Timberland Investment, unreasonably burdensome, Timberland Investment may redeem (in whole but not in part) the Bonds Portfolio Limited Recourse Bonds.
- (c) Without prejudice to its right of redemption in connection with an event of default (as provided for in the terms and conditions of Bonds Portfolio Limited Recourse Bonds), the holder of Bonds Portfolio Limited Recourse Bonds may request the redemption of all or part of the bonds held by it any time.

## 8. COSTS

Up to two (2) *per cent.* of the issue proceeds of the Bonds Portfolio Limited Recourse Bonds will be set aside and recorded by Timberland Investment in a separate ledger (the **Cash Ledger**) to be used for the payment of (i) costs and expenses incurred by Timberland Investment in connection with, and relating to, the Bonds Portfolio Limited Recourse Bonds and the Bonds Portfolio Compartment or (ii) the relevant proportion of general costs of Timberland Investment allocated to the Bonds Portfolio Compartment in accordance with the Timberland Investment Articles. Timberland Investment may determine the amount of the Cash Ledger at its sole discretion.

## 9. FURTHER ISSUES

Timberland Investment may from time to time, with the consent of the holder of Bonds Portfolio Limited Recourse Bonds, create and issue under the Bonds Portfolio Compartment further bonds (i) having the same terms and conditions in all respects as the outstanding Bonds Portfolio Limited Recourse Bonds except for the issue date, so that such further issue shall be consolidated and form a single series with the outstanding Bonds Portfolio Limited Recourse Bonds or (ii) upon such terms and conditions as Timberland Investment may determine at the time of their issue. Timberland Investment may, without the consent of the holder of Bonds Portfolio Limited Recourse Bonds, issue all types of securities under other compartments set up by it.

## 10. GOVERNING LAW

Bonds Portfolio Limited Recourse Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

## 11. USE OF PROCEEDS

Timberland Investment invests the net issue proceeds of the Bonds Portfolio Limited Recourse Bonds into a selection of the following types of bonds: (i) German Covered Bonds (as defined below), (ii) Luxembourg Covered Bonds (as defined below) and (iii) bonds issued by companies whose shares are included in the composition of any of following indices (each, an **Eligible Index**): the Dax (*Deutscher Aktien IndeX*), the CAC 40 (*Cotation Assistée en Continu*), the FTSE 100 Index (*Financial Times Stock Exchange 100*), the DJIA (*Dow Jones Industrial Average*), the S&P/TSX Composite Index, the AEX (*Amsterdam Exchange Index*) and the Euro Stoxx 50 Index (collectively, the **Eligible Bonds**).

All Eligible Bonds subscribed for or otherwise acquired by Timberland Investment acting in respect of the Bonds Portfolio Compartment form part of a separate investment portfolio of Timberland Investment (the **Bonds Portfolio**) and are allocated to the Bonds Portfolio Compartment. The current composition of the Bonds Portfolio is published on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)). Such information is available free of charge, subject to prior registration on the website.

If an issuer of a series of bonds already included in the Bonds Portfolio is no longer represented on any of the Eligible Indices, Timberland Investment may, but is not required to, remove such series of bonds from the Bonds Portfolio. However, no additional bonds of the relevant issuer will be subscribed for or otherwise acquired by Timberland Investment using the net issue proceeds of the Bonds Portfolio Limited Recourse Bonds unless and until the relevant issuer is again represented on any of the Eligible Indices.

### (1) German covered bonds (*Pfandbriefe*)

German covered bonds (*Pfandbriefe*) (the **German Covered Bonds**) are subject to, and governed by, the *Pfandbrief Act (Pfandbriefgesetz)* dated 22 May 2005, as amended (the **Pfandbrief Act**) and certain regulations under the *Pfandbrief Act*, such as the Net Present Value Regulation (*Pfandbrief-Barwertverordnung*) dated 14 July 2005, as amended, the Cover Register Regulation (*Deckungsregisterverordnung*) dated 25 August 2006, as amended and the Mortgage Lending Value Regulation (*Beleihungswertermittlungsverordnung*) dated 12 May 2006, as amended. German Covered Bonds may only be issued by German credit institutions having obtained a special license from the Federal Financial Supervisory Authority (*BaFin – Bundesanstalt für Finanzdienstleistungsaufsicht*). Such license may be requested by any German credit institution, but can be restricted to the issue of only certain types of German Covered Bonds. In order to achieve the high standards of investor security, German credit institutions must fulfil special requirements to obtain the license. A bank issuing German Covered Bonds is also subject to a special form of supervision by the BaFin, which goes beyond the supervision measures applicable to ordinary credit institutions.

A German Covered Bond bank may issue up to four different types of covered bonds: mortgage covered bonds, public covered bonds, ship covered bonds and/or aircraft covered bonds. Before issuing any of these securities, a German Covered Bond bank will grant loans for the financing of property, ships, aircrafts or public-sector projects. Those loans (or parts thereof), together with the relevant collateral for each of them, will be entered into the cover register which will then constitute the cover pool for each type of German Covered Bonds issued by the credit institution. The issuer of the covered bonds will need to hold a separate register for each type of loans.

The Pfandbrief Act provides guidance in respect of the quality of the cover assets that can be used for the German Covered Bonds. As regards mortgage cover bonds, land charges, commercial and residential mortgages in Germany and abroad can be used as cover assets. The Pfandbrief Act provides for a list of countries where these mortgages can be located. Monetary claims against different types of public sector entities (such as the EEA Member States, Switzerland, Japan, Canada and USA, their sub-sovereign bodies, certain public sector authorities, the European Central Bank etc.) are eligible as cover assets for public covered bonds. Certain claims against these entities need to comply with quality requirements in order to become eligible under the Pfandbrief Act. Ship and aircraft mortgages need to be recorded in public registers in order to be used in connection with German Covered Bonds. The Pfandbrief Act and the relevant regulations set certain standards with respect to the valuation of the ships and aircrafts and the usage of these loans as cover for the issue of bonds. In addition to these cover assets, the issuer of covered bonds may add under certain conditions claims against credit institutions and/or claims issued from derivatives to each type of German Covered Bonds in order to improve the liquidity of the relevant cover pool. The covered bond bank is also allowed in certain circumstances to hold the assets *via* a suitable third party credit institution as trustee if the covered bond bank has a claim for transfer of the assets and the mortgages are segregated on the trustee's insolvency.

In addition to the specific license and supervision requirements mentioned above, German Covered Bonds constitute a particularly safe investment because of the special insolvency regime applicable to issuers of covered bonds. In case of insolvency, each cover pool relating to a type of covered bonds is ring-fenced from the remaining assets of the bank. The insolvency receiver of the bank will therefore not have access to the assets held in such cover pool. A specially appointed cover pool administrator will have the power to manage the cover pools and represent the interests of the creditors under the German Covered Bonds. These creditors will have a privileged access to the assets held in the different cover pools. At any time the net present value and the nominal value of the German Covered Bonds outstanding needs to be covered by assets held in the respective cover pools. A covered bond bank will also have to appoint a special cover pool trustee that will monitor the cover of the German Covered Bonds issued. Certain risk management and stress testing procedures need to be applied to the cover pools in order to ensure that the covered bond bank is able to deal with certain risks. In this respect the Pfandbrief Act also provides for a mandatory overcollateralization to cover certain costs and expenses incurred by the covered bond bank. Such excess cover must be available in the form of particularly liquid cover assets.

## (2) **Luxembourg covered bonds**

Luxembourg covered bonds (*lettres de gage*) (the **Luxembourg Covered Bonds**) are subject to, and governed by, a distinct legal regime set out in articles 12-1 to 12-12 of the Luxembourg act dated 5 April 1993 concerning the financial sector (the **Banking Act 1993**). The Banking Act 1993 reserves to covered bond banks (*banques d'émission de lettres de gage*) only the right to issue Luxembourg Covered Bonds and provides that a covered bond bank licence (*agrément*) may only be granted to legal persons incorporated under the laws of Luxembourg. In contrast to Luxembourg "universal banks" (*banques universelles*), which are authorised to perform the activities of a full-service bank, covered bond banks must limit their principal activities to the granting of loans which must be secured and refinanced exclusively by way of issuing Luxembourg Covered Bonds.

Four different type of Luxembourg Covered Bonds may be issued by Luxembourg covered bond banks, namely (i) mortgage covered bonds (*lettres de gage hypothécaires*) that are issued in respect of real estate covered mortgage lending, (ii) public-sector covered bonds (*lettres de gage publiques*) that are issued in respect of lending to public sector entities, (iii) movable property covered bonds (*lettres de gage mobilières*) that are issued in respect of loans granted by the covered bond bank and which are secured by certain rights *in rem* over



movable property and (iv) co-operative covered bonds (*lettres de gage mutuelles*) that are issued in respect of lending to co-operative banks.

Eligible assets that may be used by covered bond banks as coverage assets (the **Coverage Assets**) for the Luxembourg Covered Bonds must fulfil certain conditions and, depending on the type of the Luxembourg Covered Bonds, comprise, among other things (i) claims resulting from loans to public sector entities or loans secured by a guarantee issued by a public sector entity, by a debt security issued by a public sector entity or by a debt security issued by a bank, (ii) debt securities issued by credit institutions and benefitting from public sector guarantee, real estate security/rights or movable property security/rights, (iii) debt securities issued, or guaranteed by, as well as loans granted to, or commitments in any other form against, co-operative banks which participate in an institutional protection scheme, (iv) real estate rights (*droits réels immobiliers*) or real estate collateral (*sûretés réelles immobilières*), (v) movable property rights (*droits réels mobiliers*) or movable property collateral (*sûretés réelles mobilières*), (vi) bonds and other similar debt instruments which are secured by real estate rights or real estate collateral, (vii) securitised debt securities benefitting from claims or guarantees qualifying as the Coverage Assets for mortgage covered bonds, as well as bonds and other debt securities issued by a securitisation undertaking.

There are several reasons why the Luxembourg Covered Bonds can be considered as a particularly safe investment compared to instruments issued by other types of issuers. First, each Coverage Asset must be individually recorded in a special collateral register (*registre de gages*) held by the relevant Luxembourg covered bond bank and supervised by a special statutory auditor (*réviseur d'entreprises agréé special*). The special statutory auditor "supervises" the Coverage Assets, ensuring that they have been duly constituted, are recorded in the appropriate part of the collateral register and their value does not fall below the thresholds established under the Banking Act 1993. In addition, the holders of the Luxembourg Covered Bonds benefit (as from the date of recording of the Coverage Assets into the collateral register) from a preferential right (*droit de préférence*) over the Coverage Assets, which ranks senior to any other rights, privileges or priorities. It is, among other things, the isolation of the Coverage Assets in the collateral register and the ensuing preferential claims of the holders of the Luxembourg Covered Bonds that protect these holders' rights even in the event of an insolvency of Luxembourg covered bond banks. Second, Luxembourg covered bond banks are subject to a specific insolvency regime designed to preserve the rights of holders of the Luxembourg Covered Bonds. That regime provides that the opening of suspension of payment (*sursis de paiement*) or liquidation (*liquidation*) proceedings in respect of a covered bond bank will, by force of law, entail the separation of the estate of such bank into, on the one hand, the assets and liabilities of the covered bond bank relating to its ancillary activity (*activité accessoire*) and on the other hand, a separate and distinct "estate compartment" (*compartiment patrimonial*) formed by each type/category of the Luxembourg Covered Bonds forming (together with the respective Coverage Assets and reserves posted with the central bank). As a result of this segregation, the Coverage Assets may not be attached or seized by creditors of the covered bond bank other than the holders of the Luxembourg Covered Bonds. Thirdly, the Luxembourg Covered Bonds afford additional protection to their holders due to the requirement of a minimum over-collateralisation in respect of the Luxembourg Covered Bonds in circulation. Indeed, the nominal amount of the Coverage Assets has to represent, at any time, at least 102% of the nominal amount of the Luxembourg Covered Bonds in circulation and the present value of the Coverage Assets has to represent, at any time, at least 102% of the present value of the Luxembourg Covered Bonds in circulation. Such additional safety buffer may be used, for instance, towards the payment of fees and expenses potentially incurred in connection with the management of the Luxembourg Covered Bonds and the Coverage Assets in the event of insolvency proceedings being opened against the Luxembourg covered bond bank. Finally, as any Luxembourg registered credit institutions,

Luxembourg covered bond banks are subject to the supervision of the CSSF (the *Commission de surveillance du secteur financier*).

**(3) Bonds issued by companies represented on the DAX**

The Dax (*Deutscher Aktien Index*) is a German capitalization-weighted stock market index, which is calculated every minute by Xetra (the electronic trading system operated by Deutsche Börse) and which is based on the share price of each of the thirty largest German companies listed on the Frankfurt Stock Exchange. As a capitalization-weighted stock market index, the Dax – just as the CAC 40 or the FTSE 100 Index – is calculated by taking into account the weight of each of the constituent companies in the index in terms of the market value of its shares available to the market. Accordingly, the larger companies have more impact on the index than the smaller ones. However, the Dax is a so-called “float-adjusted index”, which means that only the shares that are actually available to investors, and not all of the company's issued shares (if some of them are not actively traded), are taken into account for calculating the size of the market capitalisation of an individual company. In order to be eligible for the inclusion on the DAX, a company must fulfil several criteria, such as, among other things: a minimum three-year period of listing on the Frankfurt Stock Exchange, a free-floating capital of at least 15% and the availability of early opening prices. Taken into account are also the turnover and the market capitalization of a company, as well as its branch representativeness for the German economy. Unlike most other indices, dividends paid by the constituent companies are taken into consideration for the purposes of the calculation of the DAX.

**(4) Bonds issued by companies represented on the CAC 40**

The CAC 40 (*Cotation Assistée en Continu*) is a French float-adjusted capitalization-weighted stock market index, which is calculated every fifteen seconds and which is based on the share prices of the forty companies with most traded stocks, chosen from the hundred companies listed on Euronext Paris that have the highest free float market capitalisation and share turnover. In order to reflect the performance of the French financial market as closely as possible, the composition of the CAC 40 is reviewed quarterly by an independent index steering committee, the *Conseil Scientifique*. In order to be eligible for the inclusion on the CAC 40, the companies are required, among others things, to have a free float adjusted annual velocity (the fraction of the company's free float shares which have changed hands over the previous calendar year) of at least 20%, their turnover being also taken into account. More than any other main European stock market index, the majority of the CAC 40 is composed of international and multinational companies, which implies that almost 50% of the CAC 40 shares are held by foreign investors from all over the world.

**(5) Bonds issued by companies represented on FTSE 100 Index**

The FTSE 100 Index (*Financial Times Stock Exchange 100*), commonly known as the “footsie”, is a UK-adjusted capitalization-weighted stock market index and is operated by the FTSE Group, which is wholly owned by the London Stock Exchange. The FTSE 100 Index is calculated in real time, published every fifteen seconds during the opening hours of the London Stock Exchange and is based on the share prices of the hundred companies with the highest market capitalisation on the London Stock Exchange. The composition of such “top 100” is reviewed every four months. In order to be eligible for the inclusion on the FTSE 100 Index, a company will have to fulfil a number of criteria, such as, for instance, the requirement to have a full listing on the London Stock Exchange with a Sterling or Euro denominated price on the Stock Exchange Electronic Trading Service. The nationality, free float and liquidity of the companies will also be evaluated and taken into account. Compared to the other existing indices operated in the United Kingdom, the FTSE100 Index is most frequently used and often serves as a reference for investment products, such as derivatives and exchange-traded funds.

**(6) Bonds issued by companies represented on the DJIA**

The DJIA (*Dow Jones Industrial Average*), often shortened to “Dow Jones”, is an American stock market index that is based on the share price of thirty major companies present in the manufacture of industrial and consumer goods as well as in the financial, entertainment and information technology sectors. Created by the journalist Charles Dow and the statistician Edward Jones in the end of the 19th century, the Dow Jones is one of the eldest stock market indices worldwide. The specificity of the Dow Jones – as the Nikkei 225 Index – lies in the fact that, unlike the DAX, the CAC 40 or the FTSE 100 Index (each of which takes into account the relative industry size of the index components), it is a price-weighted stock market index, which is calculated as the sum of the share prices of the constituent companies divided by a divisor adjusted every time the shares of the constituent companies are split or pay a dividend in order to generate a consistent value for the index. Due to the small number of its constituent companies and somehow archaic calculation method that does not take into account the market capitalization of the components, the Dow Jones does not represent with a perfect accuracy the situation and the performance of the U.S. market. Nevertheless, the Dow Jones remains one of the most recognized stock market indices and a marker of major market developments.

**(7) Bonds issued by companies represented on the S&P/TSX Composite Index**

The S&P/TSX Composite Index is the main Canadian float-adjusted capitalization-weighted stock market index based on the stock prices of approximately 200 major companies listed on the Toronto Stock Exchange (**TSX**) (239 companies made up the index in 2013). The index is operated by Standard & Poor’s and its composition is reviewed every four months. The eligibility criteria for the inclusion in the S&P/TSX Composite Index include the requirement for each constituent company to be listed on the TSX and to be incorporated under Canadian laws. Also taken into account are the company’s market capitalization and the liquidity of its stock. As many other indices, the S&P/TSX Composite Index is divided into sub-indices, such as: the S&P/TSX 60 Index (which is based on the share price of the sixty companies having the largest market capitalisation), the S&P/TSX 60 MidCap Index (which is based on the share price of sixty companies having a mid-sized market capitalisation) and the S&P/TSX 60 SmallCap Index (which is based on the share price of about two hundred companies – two hundred twenty in 2013 – having a small-sized market capitalisation). The S&P/TSX Composite Index is further divided into several sectorial sub-indices, one for each of the following sectors: financials, energy, materials, industrials, consumer discretionary, telecommunication services, consumer staples, health care, utilities and information technology. The particularity of such sectorial sub-indices is that the market capitalisations of their constituent companies are capped in order to avoid that one of them has too much influence on the index.

**(8) Bonds issued by companies represented on the AEX index**

The AEX index (the **AEX**), derived from Amsterdam Exchange index, is a stock market index composed of Dutch companies that trade on NYSE Euronext Amsterdam, formerly known as the Amsterdam Stock Exchange. Started in 1983, the index is composed of a maximum of 25 of the most actively traded securities on the exchange. It is one of the main national indices of the stock exchange group NYSE Euronext alongside Brussels' BEL20, Paris's CAC 40 and Lisbon's PSI-20. As of 2011, the AEX composition is reviewed four times a year - a full "annual" review in March and interim "quarterly" reviews in June, September and December. Any changes made as a result of the reviews take effect on the third Friday of the month. Previously reviews were held in March and September only. Prior to 2008, index changes were made only annually in March. At the main March review date, the 23 companies listed on Euronext Amsterdam's regulated market with the highest share turnover (in Euro) over the previous year are admitted to the index. Of the companies ranked between 24<sup>th</sup> and 27<sup>th</sup>, a further two are selected with preference given to existing

constituents of the index. Companies which have fewer than 25% of shares considered free float on Euronext Amsterdam are, however, ineligible for inclusion. Unlike some other European benchmark equity indices (such as the OMXS30), if a company has more than one class of shares traded on the exchange, only the most actively traded of these will be accepted into the AEX. If a company or companies are removed from the index due to delisting, acquisition or another reason, no replacements are made until the next review date. At the three interim reviews in June, September and December, no changes are made to the AEX unless either the index has seen one or more constituents removed, or a non-constituent possesses a share turnover ranked 15<sup>th</sup> or higher overall over the previous 12 months. If vacancies are to be filled, the highest-ranking non-AEX companies are selected to join the index. The AEX is a capitalisation-weighted index. At each main annual review, the index weightings of companies in the index are capped at 15%, but range freely with share price subsequently. The index weights are calculated with respect to the closing prices of the relevant companies on 1<sup>st</sup> March. At the interim reviews, weightings after adjustment are left as close as possible to those of the previous day and are not re-capped.

**(9) Bonds issued by companies represented on the Euro Stoxx 50 Index**

The EURO STOXX 50 index (the **EURO STOXX 50**) is a stock index of Eurozone stocks designed by STOXX, an index provider owned by Deutsche Börse Group and SIX Group. According to STOXX, its goal is "to provide a blue-chip representation of Supersector leaders in the Eurozone". It is made up of fifty of the largest and most liquid stocks. The index futures and options on the EURO STOXX 50, traded on Eurex, are among the most liquid of such products in Europe and the world. The EURO STOXX 50 was introduced on 26 February 1998. Its composition is reviewed annually in September. The review cut-off date is the last trading day of August. Calculation takes place every 15 seconds during local trading hours. The EURO STOXX 50 represents the largest super-sector leaders in the Eurozone in terms of free-float market capitalisation. The EURO STOXX 50 captures about 60% of the free-float market capitalisation of the EURO STOXX Total Market Index (TMI), which in turn covers about 95% of the free-float market capitalisation of the represented countries. The EURO STOXX 50 is weighted according to free-float market capitalisation. Components are capped at a maximum weight of 10% quarterly. The weighting cap factors are published on Wednesday two trading days prior to quarterly review implementation using Tuesday's closing prices. It is one of the most liquid indices for the Eurozone and as such frequently used as underlying for financial products or for benchmarking purposes. Buffers are used to achieve the fixed number of components and to maintain stability of the EURO STOXX 50 by reducing index composition changes. Selection methodology ensures a stable and up-to-date index composition. Fast-exit rules ensure the EURO STOXX 50 accurately represents the performance of only the biggest and most liquid stocks.

## **DESCRIPTION OF PRECIOUS METALS PORTFOLIO LIMITED RECOURSE BONDS**

Timberland Investment acting in respect of its Precious Metals Portfolio Compartment (as defined below) may issue Series 2015 Precious Metals Portfolio Limited Recourse Bonds (the **Precious Metals Portfolio Limited Recourse Bonds**) on an ongoing basis subject to investor demand. The Precious Metals Portfolio Limited Recourse Bonds have not been approved or recommended by any Luxembourg or foreign authority or securities commission. The Precious Metals Portfolio Limited Recourse Bonds will not be offered to the public or admitted to trading and listed on any regulated market or on any alternative market. The Precious Metals Portfolio Limited Recourse Bonds will be integrally subscribed by the Issuer.

### **1. PRECIOUS METALS PORTFOLIO COMPARTMENT**

A separate compartment (within the meaning given to such term in articles 62 *et seq* of the Securitisation Act 2004) called “the Precious Metals Portfolio Compartment” was created by the board of directors of Timberland Investment on 10 July 2015 (the **Precious Metals Portfolio Compartment**). The Precious Metals Portfolio Compartment constitutes a separate part of Timberland Investment's assets and liabilities. The assets allocated to the Precious Metals Portfolio Compartment are in principle exclusively available to satisfy the rights of holders of the Precious Metals Portfolio Limited Recourse Bonds, the rights of the holders of any other series of bonds issued by Timberland Investment under the Precious Metals Portfolio Compartment and the rights of the creditors whose claims have arisen as a result of the creation, the operation or the liquidation of the Precious Metals Portfolio Compartment, as contemplated by the Timberland Investment Articles. The Precious Metals Portfolio Compartment (comprising the Precious Metals Portfolio (as defined below) is governed by Luxembourg law.

### **2. FORM AND DENOMINATION**

Precious Metals Portfolio Limited Recourse Bonds are issued in registered form only and have a nominal value of EUR0.01 (one cent) each. Precious Metals Portfolio Limited Recourse Bond may be issued in any integral multiple of such nominal value.

### **3. TRANSFER AND TITLE**

- (a) Title to Precious Metals Portfolio Limited Recourse Bonds passes only by registration in the register of holders of Precious Metals Portfolio Limited Recourse Bonds kept by Timberland Investment at its registered office. Ownership in respect of the Precious Metals Portfolio Limited Recourse Bonds is established by the registration in such register.
- (b) The holding of Precious Metals Portfolio Limited Recourse Bonds may be transferred in whole but not in part in order that there shall at all times be only one holder of all outstanding Precious Metals Portfolio Limited Recourse Bonds.

### **4. NO MATURITY**

The Precious Metals Portfolio Limited Recourse Bonds do not have a stated maturity date.

### **5. STATUS AND RANKING**

Precious Metals Portfolio Limited Recourse Bonds constitute direct, unsecured limited recourse obligations of Timberland Investment and rank *pari passu* and rateably, without any preference among themselves, with all other existing direct unsecured limited recourse pass through indebtedness of Timberland Investment, which has been or will be allocated to the Precious Metals Portfolio Compartment but, in the event of insolvency (including

bankruptcy, insolvency and voluntary or judicial liquidation), only to the extent permitted by applicable laws relating to creditors' rights generally.

## 6. INTEREST / COUPON

No interest or coupon is payable in respect of Precious Metals Portfolio Limited Recourse Bonds.

## 7. REDEMPTION RIGHTS

(a) Equity Portfolio Limited Recourse Bonds are redeemable at the Redemption Amount. The **Redemption Amount:**

- (i) will depend on the value of such portion of assets allocated to the Precious Metals Portfolio Compartment (the Precious Metals Portfolio Underlying) as corresponds to the number of the outstanding Precious Metals Portfolio Limited Recourse Bonds to be redeemed; and
- (ii) will be equal to the sum of (A) the relevant portion of the Precious Metals Portfolio Underlying already held in the form of cash and (B) the amount received by Timberland Investment in connection with the redemption, disposal or enforcement (as applicable) of the relevant portion of the non-cash Precious Metals Portfolio Underlying MINUS any unpaid costs.

(b) Unless previously purchased and cancelled, the Precious Metals Portfolio Limited Recourse Bonds will be redeemed at the Redemption Amount by Timberland Investment. In limited circumstances, such as when the obligations of Timberland Investment arising under, or in connection with, the Precious Metals Portfolio Limited Recourse Bonds become, in the opinion and at the discretion of Timberland Investment, unreasonably burdensome, Timberland Investment may redeem (in whole but not in part) the Precious Metals Portfolio Limited Recourse Bonds.

(c) Without prejudice to its right of redemption in connection with an event of default (as provided for in the terms and conditions of Precious Metals Portfolio Limited Recourse Bonds), the holder of Precious Metals Portfolio Limited Recourse Bonds may request the redemption of all or part of the bonds held by it any time.

## 8. COSTS

Up to two (2) *per cent.* of the issue proceeds of the Precious Metals Portfolio Limited Recourse Bonds will be set aside and recorded by Timberland Investment in a separate ledger (the **Cash Ledger**) to be used for the payment of (i) costs and expenses incurred by Timberland Investment in connection with, and relating to, the Precious Metals Portfolio Limited Recourse Bonds and the Precious Metals Portfolio Compartment or (ii) the relevant proportion of general costs of Timberland Investment allocated to the Precious Metals Portfolio Compartment in accordance with the Timberland Investment Articles. Timberland Investment may determine the amount of the Cash Ledger at its sole discretion.

Costs and expenses incurred by Timberland Investment in connection with the Precious Metals Portfolio Compartment include the Advisory Fee (as defined below).

**Advisory Fee** means the amount calculated by the Calculation Agent at the end of each calendar month using the fair value principle and payable by Timberland Investment to Timberland Fund Management Ltd. in respect of the Precious Metals Portfolio Compartment, which shall be equal to the sum of

- (A) the higher of:

the sum of

- (i) 0.07916 *per cent.* per month of the tranche of the Net Asset Value (as defined below) below EUR25,000,000; and
- (ii) 0.07083 *per cent.* per month of the tranche of the Net Asset Value between EUR25,000,000 and EUR 50,000,000; and
- (iii) 0.0625 *per cent.* per month of the tranche of the Net Asset Value above EUR50,000,000

or

the amount of EUR2,500 per month during the year 2015 or EUR4,000 per month during the year 2016 and all subsequent years;

and

(B) the sum of

- (i) for the tranche of the Net Asset Value below EUR25,000,000, a performance-based amount equal to 12.5 *per cent.* of the Net Increase of the NAV (as defined below); and
- (ii) for the tranche of the Net Asset Value between EUR25,000,000 and EUR50,000,000, a performance-based amount equal to 10 *per cent.* of the Net Increase of the NAV; and
- (iii) for the tranche of the Net Asset Value above EUR50,000,000 a performance-based amount equal to 7.5 *per cent.* of the Net Increase of the NAV

increased for (A) and (B) by the amount of VAT (as far as VAT is payable in respect of such performance-based amount in Luxemburg), where:

**Net Asset Value** means the net value of the Precious Metals Portfolio Compartment calculated by the Calculation Agent using the fair value principle (that is, independently of the principles of LUX GAAP (historical costs less durable impairments) or IFRS as the accounting principles applicable to Timberland Investment and its compartments).

**Net Increase of the NAV** means the positive difference between (i) the Net Asset Value at the end of a given calendar month (the **Relevant Month**) of the Precious Metals Portfolio Compartment compared at the end of the Relevant Month to (ii) the Net Asset Value at the end of the immediately preceding calendar month of the Precious Metals Portfolio Compartment, adjusted by (a) the Cash Inflows at the end of the Relevant Months and (b) the Cash Outflows at the end of the Relevant Month, where:

- (a) **Cash Inflows** means the aggregate amount received by Timberland Investment from the Issuer in the Relevant Month as consideration for the Precious Metals Limited Recourse Bonds; and
- (b) **Cash Outflows** means the aggregate amount paid by Timberland Investment to the Issuer in the Relevant Month in order to redeem (if applicable) the Precious Metals Limited Recourse Bonds.

If no amount under (B) is due during one fiscal year, the basis for the subsequent determination of the Net Increase of the NAV will be the last Net Asset Value of the ended fiscal year.

The amount under (B) is due at the end of each Relevant Month.

## 9. FURTHER ISSUES

Timberland Investment may from time to time, with the consent of the holder of Precious Metals Portfolio Limited Recourse Bonds, create and issue under the Precious Metals Portfolio Compartment further bonds (i) having the same terms and conditions in all respects as the outstanding Precious Metals Portfolio Limited Recourse Bonds except for the issue date, so that such further issue shall be consolidated and form a single series with the outstanding Precious Metals Portfolio Limited Recourse Bonds or (ii) upon such terms and conditions as Timberland Investment may determine at the time of their issue. Timberland Investment may, without the consent of the holder of Precious Metals Portfolio Limited Recourse Bonds, issue all types of securities under other compartments set up by it.

## 10. GOVERNING LAW

Precious Metals Portfolio Limited Recourse Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

## 11. USE OF PROCEEDS

Timberland Investment invests the net issue proceeds of the Precious Metals Portfolio Limited Recourse Bonds into one or more of the following types of precious metals: (i) gold, (ii) silver, (iii) platinum and (iv) palladium (collectively, **Eligible Precious Metals** and each, an **Eligible Precious Metal**).

Gold can be in any kind of form - embossed, non-embossed, cast as ounces or bars or as so called Kinebar Bars, in each case in a purity of minimum 99.5%.

Silver can be in any kind of form - embossed, non-embossed, cast as ounces or bars, in each case in a purity of minimum 99.9%.

Platinum can be in any kind of form - embossed, non-embossed, cast as ounces or bars, in each case in a purity of minimum 99.5%.

Palladium can be in any kind of form - embossed, non-embossed, cast as ounces or bars, in each case in a purity of minimum 99.5%.

All Eligible Precious Metals purchased by Timberland Investment acting in respect of the Precious Metals Portfolio Compartment form part of a separate investment portfolio of Timberland Investment (the **Precious Metals Portfolio**) and are allocated to the Equity Portfolio Compartment. The current composition of the Precious Metals Portfolio is published on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)). Such information is available free of charge, subject to prior registration on the website.

The investment by Timberland Investment into Eligible Precious Metals is subject to the following conditions:

- (A) if the net issue proceeds of the Precious Metals Portfolio Limited Recourse Bonds invested by Timberland Investment at any given time are used to purchase one type of Eligible Precious Metals only, it should be gold; and



- (B) if gold constitutes less than fifty (50) *per cent.* of the entire composition of the Precious Metals Portfolio, the available net issue proceeds of the Precious Metals Portfolio Limited Recourse Bonds should be used to purchase gold until the fifty (50) *per cent.* threshold is reached and before such proceeds are invested in the other three Eligible Precious Metals (for comparison purposes, the current value of the Eligible Precious Metals held at any given time in the Precious Metals Portfolio is calculated in Euro).

Once any Eligible Precious Metals have been purchased, the value of the component Eligible Precious Metals (and that of the Precious Metals Portfolio as a whole) will inevitably vary from time to time in line with the fluctuation of the market prices. Accordingly, the percentage that each of the Eligible Precious Metals represents in the whole Precious Metals Portfolio cannot be guaranteed over time and Timberland Investment has no obligation to monitor the value of the Eligible Precious Metals in the Precious Metals Portfolio and/or to rebalance the composition of the Precious Metals Portfolio by purchasing and selling the Eligible Precious Metals on an ongoing basis in order to maintain a fixed percentage ratio between the components of the Precious Metals Portfolio.

### **Storage of Eligible Precious Metals**

Gold allocated to the Precious Metals Portfolio Compartment is stored with Commerzbank AG, acting through its Luxemburg Branch, having its place of business at 25 rue Edward Steichen, L-2540 Luxemburg (the **Gold Custodian**) and silver, platinum and palladium allocated to the Precious Metals Portfolio Compartment are stored with Brinks Global Services Ltd., represented in Luxemburg by BK Services SARL, Brink's Luxemburg S.A. and Brink's Security Luxemburg S.A., all having their respective place of business at 8 rue de Bitbourg, L-1273 Luxemburg (the **Custodian for Silver, Platinum and Palladium** and, collectively with the Gold Custodian, the **Precious Metals Custodian** and each, a **Precious Metals Custodian**). Each Precious Metals Custodian may appoint one or more sub-custodians to whom it will delegate all or some of its roles and functions in respect of the relevant Eligible Precious Metals (each, a **Precious Metals Sub-Custodian**). Entities that may be appointed as Precious Metals Sub-Custodians include, without limitation, the Bank of England, the Bank of Nova Scotia (Scotia Mocatta), Deutsche Bank AG, JP Morgan Chase Bank, UBS AG, Barclays Bank Plc, Johnson Matthey Plc, Brink's Global Services Ltd, Brink's Luxembourg SA, Commerzbank AG and its subsidiaries, Commerzbank International S.A. and Via Mat International Limited or any other reputable company within the EU, Switzerland or United States of America.SA, where "reputable" means, for avoidance of doubt, a company which is market maker, clearer and approved weigher under the rules of the LBMA and/or LPPM (both terms as defined below) or another wholesale market selected by Timberland Investment for purposes of trading of Eligible Precious Metals.

Eligible Precious Metals are held with a Precious Metals Custodian either in an Allocated Account or an Unallocated Account. An **Allocated Account** is an account held by a custodian in a client's name the credit balance of which shows uniquely identifiable bars, plates or ingots of a precious metal allocated to a specific customer and segregated from other any other precious metal held in the vault. The client has full title to the relevant precious metal which does not form part of custodian's assets. An **Unallocated Account** is an account held by a custodian in a client's name the credit balance of which does not entitle the client to specific bars of gold or silver or plates or ingots of platinum or palladium but is backed by the general stock of the custodian. In this scenario, the client is treated as an unsecured creditor of the custodian.

### **THE LBMA AND LPPM**

Clearing of transactions on the physical precious metals market is primarily centred in London for silver and gold and in Zurich and London for platinum and palladium. There are two trade associations which act as the coordinator for activities conducted in these markets – the London Bullion Market Association (**LBMA**) and the London Platinum and Palladium Market (**LPPM**). The roles of each of these associations include maintaining a relevant “Good Delivery” list of specifications for physical bars, plates or ingots that meet the minimum standard of quality, coordinating market clearing and vaulting, promoting good trading practices and developing standard documentation.

## DESCRIPTION OF CURRENCY PORTFOLIO LIMITED RECOURSE BONDS

Timberland Investment acting in respect of its Currency Portfolio Compartment (as defined below) may issue Series 2015 Currency Portfolio Limited Recourse Bonds (the **Currency Portfolio Limited Recourse Bonds**) on an ongoing basis subject to investor demand. The Currency Portfolio Limited Recourse Bonds have not been approved or recommended by any Luxembourg or foreign authority or securities commission. The Currency Portfolio Limited Recourse Bonds will not be offered to the public or admitted to trading and listed on any regulated market or on any alternative market. The Currency Portfolio Limited Recourse Bonds will be integrally subscribed by the Issuer.

### 1. CURRENCY PORTFOLIO COMPARTMENT

A separate compartment (within the meaning given to such term in articles 62 *et seq* of the Securitisation Act 2004) called “the Currency Portfolio Compartment” was created by the board of directors of Timberland Investment on 10 July 2015 (the **Currency Portfolio Compartment**). The Currency Portfolio Compartment constitutes a separate part of Timberland Investment's assets and liabilities. The assets allocated to the Currency Portfolio Compartment are in principle exclusively available to satisfy the rights of holders of the Currency Portfolio Limited Recourse Bonds, the rights of the holders of any other series of bonds issued by Timberland Investment under the Currency Portfolio Compartment and the rights of the creditors whose claims have arisen as a result of the creation, the operation or the liquidation of the Currency Portfolio Compartment, as contemplated by the Timberland Investment Articles. The Currency Portfolio Compartment (comprising the Currency Portfolio (as defined below) is governed by Luxembourg law.

### 2. FORM AND DENOMINATION

Currency Portfolio Limited Recourse Bonds are issued in registered form only and have a nominal value of EUR0.01 (one cent) each. Currency Portfolio Limited Recourse Bond may be issued in any integral multiple of such nominal value.

### 3. TRANSFER AND TITLE

- (a) Title to Currency Portfolio Limited Recourse Bonds passes only by registration in the register of holders of Currency Portfolio Limited Recourse Bonds kept by Timberland Investment at its registered office. Ownership in respect of the Currency Portfolio Limited Recourse Bonds is established by the registration in such register.
- (b) The holding of Currency Portfolio Limited Recourse Bonds may be transferred in whole but not in part in order that there shall at all times be only one holder of all outstanding Currency Portfolio Limited Recourse Bonds.

### 4. NO MATURITY

The Currency Portfolio Limited Recourse Bonds do not have a stated maturity date.

### 5. STATUS AND RANKING

Currency Portfolio Limited Recourse Bonds constitute direct, unsecured limited recourse obligations of Timberland Investment and rank *pari passu* and rateably, without any preference among themselves, with all other existing direct unsecured limited recourse pass through indebtedness of Timberland Investment, which has been or will be allocated to the Currency Portfolio Compartment but, in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), only to the extent permitted by applicable laws relating to creditors' rights generally.

## 6. INTEREST / COUPON

No interest or coupon is payable in respect of Currency Portfolio Limited Recourse Bonds.

## 7. REDEMPTION RIGHTS

(a) Currency Portfolio Limited Recourse Bonds are redeemable at the Redemption Amount. The **Redemption Amount:**

(i) will depend on the value of such portion of assets allocated to the Currency Portfolio Compartment (the Currency Portfolio Underlying) as corresponds to the number of the outstanding Currency Portfolio Limited Recourse Bonds to be redeemed; and

(ii) will be equal to the sum of (A) the relevant portion of the Currency Portfolio Underlying already held in the form of cash and (B) the amount received by Timberland Investment in connection with the redemption, disposal or enforcement (as applicable) of the relevant portion of the non-cash Currency Portfolio Underlying MINUS any unpaid costs.

(b) Unless previously purchased and cancelled, the Currency Portfolio Limited Recourse Bonds will be redeemed at the Redemption Amount by Timberland Investment. In limited circumstances, such as when the obligations of Timberland Investment arising under, or in connection with, the Currency Portfolio Limited Recourse Bonds become, in the opinion and at the discretion of Timberland Investment, unreasonably burdensome, Timberland Investment may redeem (in whole but not in part) the Currency Portfolio Limited Recourse Bonds.

(c) Without prejudice to its right of redemption in connection with an event of default (as provided for in the terms and conditions of Currency Portfolio Limited Recourse Bonds), the holder of Currency Portfolio Limited Recourse Bonds may request the redemption of all or part of the bonds held by it any time.

## 8. COSTS

Up to two (2) *per cent.* of the issue proceeds of the Currency Portfolio Limited Recourse Bonds will be set aside and recorded by Timberland Investment in a separate ledger (the **Cash Ledger**) to be used for the payment of (i) costs and expenses incurred by Timberland Investment in connection with, and relating to, the Currency Portfolio Limited Recourse Bonds and the Currency Portfolio Compartment or (ii) the relevant proportion of general costs of Timberland Investment allocated to the Currency Portfolio Compartment in accordance with the Timberland Investment Articles. Timberland Investment may determine the amount of the Cash Ledger at its sole discretion.

Costs and expenses incurred by Timberland Investment in connection with the Currency Portfolio Compartment include the Advisory Fee (as defined below).

**Advisory Fee** means the amount calculated by the Calculation Agent at the end of each calendar month using the fair value principle and payable by Timberland Investment to Timberland Fund Management Ltd. in respect of the Currency Portfolio Compartment, which shall be equal to the sum of

(A) the higher of:

the sum of

(i) 0.07916 *per cent.* per month of the tranche of the Adjusted Net Asset Value (as defined below) below EUR25,000,000; and

- (ii) 0.07083 *per cent.* per month of the tranche of the Adjusted Net Asset Value between EUR25,000,000 and EUR 50,000,000; and
- (iii) 0.0625 *per cent.* per month of the tranche of the Adjusted Net Asset Value above EUR50,000,000

or

the amount of EUR2,500 per month during the year 2015 or EUR4,000 per month during the year 2016 and all subsequent years;

and

(B) the sum of

- (i) for the tranche of the Adjusted Net Asset Value below EUR25,000,000, a performance-based amount equal to 12.5 *per cent.* of the Net Increase of the NAV (as defined below); and
- (ii) for the tranche of the Adjusted Net Asset Value between EUR25,000,000 and EUR50,000,000, a performance-based amount equal to 10 *per cent.* of the Net Increase of the NAV; and
- (iii) for the tranche of the Adjusted Net Asset Value above EUR50,000,000 a performance-based amount equal to 7.5 *per cent.* of the Net Increase of the NAV

increased for (A) and (B) by the amount of VAT (as far as VAT is payable in respect of such performance-based amount in Luxemburg), where:

**Adjusted Net Asset Value** means the net value of the Currency Portfolio Compartment calculated by the Calculation Agent using the fair value principle (that is, independently of the principles of LUX GAAP (historical costs less durable impairments) or IFRS as the accounting principles applicable to Timberland Investment and its compartments) and reduced by, if applicable, the net value of the assets invested in Timberland Top-Dividende International (TL A) and Timberland Top-Dividende International (TL D).

**Net Increase of the NAV** means the positive difference between (i) the Adjusted Net Asset Value at the end of a given calendar month (the **Relevant Month**) of the Currency Portfolio Compartment compared at the end of the Relevant Month to (ii) the Adjusted Net Asset Value at the end of the immediately preceding calendar month of the Currency Portfolio Compartment, adjusted by (a) the Cash Inflows at the end of the Relevant Months and (b) the Cash Outflows at the end of the Relevant Month, where:

- (a) **Cash Inflows** means the aggregate amount received by Timberland Investment from the Issuer in the Relevant Month as consideration for the Currency Portfolio Limited Recourse Bonds; and
- (b) **Cash Outflows** means the aggregate amount paid by Timberland Investment to the Issuer in the Relevant Month in order to redeem (if applicable) the Currency Portfolio Limited Recourse Bonds.

If no amount under (B) is due during one fiscal year, the basis for the subsequent determination of the Net Increase of the NAV will be the last Adjusted Net Asset Value of the ended fiscal year.

The amount under (B) is due at the end of each Relevant Month.

## 9. FURTHER ISSUES

Timberland Investment may from time to time, with the consent of the holder of Currency Portfolio Limited Recourse Bonds, create and issue under the Currency Portfolio Compartment further bonds (i) having the same terms and conditions in all respects as the outstanding Currency Portfolio Limited Recourse Bonds except for the issue date, so that such further issue shall be consolidated and form a single series with the outstanding Currency Portfolio Limited Recourse Bonds or (ii) upon such terms and conditions as Timberland Investment may determine at the time of their issue. Timberland Investment may, without the consent of the holder of Currency Portfolio Limited Recourse Bonds, issue all types of securities under other compartments set up by it.

## 10. GOVERNING LAW

Currency Portfolio Limited Recourse Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

## 11. USE OF PROCEEDS

In this section, a reference to a “Fund Share” is a reference to a share of one or more of the thirty-three (33) series of Fund Shares eligible for investment by Timberland Investment the descriptions of which are set out in section “*Description of Fund Shares*” of the Prospectus.

Timberland Investment invests the net issue proceeds of the Currency Portfolio Limited Recourse Bonds into a selection of different series of Fund Shares that fulfil one of the following criteria (the **Basic Criteria**):

- (A) the Fund Shares are denominated in a currency other than Euro; or
- (B) according to the balance sheet of the relevant fund issuing the Fund Shares, as set out in the latest publicly available annual audited report or semi-annual unaudited report of such Fund, cash and other assets denominated in a currency other than Euro constitute thirty (30) *per cent.* or more of the total net asset value of such fund.

Any time that fewer than fifteen (15) series of Fund Shares fulfil one of the Basic Criteria, the threshold of thirty (30) *per cent.* referred to in paragraph (B) above shall be reduced by five (5) *per cent.* to twenty-five (25) *per cent.* and further (if necessary, until it becomes equal to zero (0) *per cent.*) (the **Temporary Criteria**) until a minimum of fifteen (15) series of Fund Shares qualify to be included in the Currency Portfolio (as defined below). Any and all series of Fund Shares eligible for inclusion in the Currency Portfolio are collectively referred to herein as **Eligible Fund Shares**. An updated list of Eligible Funds is published on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)) every four (4) to six (6) weeks, together with the updated list of the Preselected Eligible Fund Shares (as defined below). Such information is available free of charge, subject to prior registration on the website.

Once a minimum of fifteen (15) series of Eligible Fund Shares is reached, the Basic Criteria shall apply again and if a series of Fund Shares that has not previously qualified as Eligible Fund Shares fulfils one of them, it shall replace the series of Eligible Fund Shares which has qualified by meeting the lowest Temporary Threshold. The relevant replacement will affect future investments only as from the date when the updated list of Eligible Fund Shares is published on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)).

At any given time, Timberland Investment is entitled to invest in up to eight (8) preselected series of Eligible Fund Shares out of the total of fifteen (15) or more series of Eligible Funds Shares (the **Preselected Eligible Fund Shares**). A list of the Preselected Eligible Fund Shares is updated every four (4) to six (6) weeks and can be viewed, together with the date

of the upcoming update, on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)). Such information is available free of charge, subject to prior registration on the website.

All Eligible Fund Shares subscribed for or otherwise acquired by Timberland Investment acting in respect of the Currency Portfolio Compartment form part of a separate investment portfolio of Timberland Investment (the **Currency Portfolio**) and are allocated to the Currency Portfolio Compartment. The current composition of the Currency Portfolio is published on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)). Such information is available free of charge, subject to prior registration on the website.

A series of Fund Shares already included in the Currency Portfolio that has ceased to meet one of the Basic Criteria or the Temporary Criteria (as applicable) will not be removed from the Currency Portfolio. However, no additional Fund Shares of such series will be subscribed for or otherwise acquired by Timberland Investment using the net issue proceeds of the Currency Portfolio Limited Recourse Bonds unless and until the relevant series of Fund Shares qualifies again as Eligible Fund Shares. Notwithstanding the foregoing, Timberland Investment may, but is not required to, remove from the Currency Portfolio a series of Eligible Fund Shares and replace it by a different series of Eligible Fund Shares if its characteristics no longer correspond to the investment profile of the Currency Portfolio.

## DESCRIPTION OF TOP-10 PORTFOLIO LIMITED RECOURSE BONDS

Timberland Investment acting in respect of its Top-10 Portfolio Compartment (as defined below) may issue Series 2015 Top-10 Portfolio Limited Recourse Bonds (the **Top-10 Portfolio Limited Recourse Bonds**) on an ongoing basis subject to investor demand. The Top-10 Portfolio Limited Recourse Bonds have not been approved or recommended by any Luxembourg or foreign authority or securities commission. The Top-10 Portfolio Limited Recourse Bonds will not be offered to the public or admitted to trading and listed on any regulated market or on any alternative market. The Top-10 Portfolio Limited Recourse Bonds will be integrally subscribed by the Issuer.

### 1. TOP-10 PORTFOLIO COMPARTMENT

A separate compartment (within the meaning given to such term in articles 62 *et seq* of the Securitisation Act 2004) called “Top-10 Portfolio Compartment” was created by the board of directors of Timberland Investment on 10 July 2015 (the **Top-10 Portfolio Compartment**). The Top-10 Portfolio Compartment constitutes a separate part of Timberland Investment's assets and liabilities. The assets allocated to the Top-10 Portfolio Compartment are in principle exclusively available to satisfy the rights of holders of the Top-10 Portfolio Limited Recourse Bonds, the rights of the holders of any other series of bonds issued by Timberland Investment under the Top-10 Portfolio Compartment and the rights of the creditors whose claims have arisen as a result of the creation, the operation or the liquidation of the Top-10 Portfolio Compartment, as contemplated by the Timberland Investment Articles. The Top-10 Portfolio Compartment (comprising the Top-10 Portfolio (as defined below) is governed by Luxembourg law.

### 2. FORM AND DENOMINATION

Top-10 Portfolio Limited Recourse Bonds are issued in registered form only and have a nominal value of EUR0.01 (one cent) each. Top-10 Portfolio Limited Recourse Bond may be issued in any integral multiple of such nominal value.

### 3. TRANSFER AND TITLE

- (a) Title to Top-10 Portfolio Limited Recourse Bonds passes only by registration in the register of holders of Top-10 Portfolio Limited Recourse Bonds kept by Timberland Investment at its registered office. Ownership in respect of the Top-10 Portfolio Limited Recourse Bonds is established by the registration in such register.
- (b) The holding of Top-10 Portfolio Limited Recourse Bonds may be transferred in whole but not in part in order that there shall at all times be only one holder of all outstanding Top-10 Portfolio Limited Recourse Bonds.

### 4. NO MATURITY

The Top-10 Portfolio Limited Recourse Bonds do not have a stated maturity date.

### 5. STATUS AND RANKING

Top-10 Portfolio Limited Recourse Bonds constitute direct, unsecured limited recourse obligations of Timberland Investment and rank *pari passu* and rateably, without any preference among themselves, with all other existing direct unsecured limited recourse pass through indebtedness of Timberland Investment, which has been or will be allocated to the Top-10 Portfolio Compartment but, in the event of insolvency (including bankruptcy, insolvency and voluntary or judicial liquidation), only to the extent permitted by applicable laws relating to creditors' rights generally.



## 6. INTEREST / COUPON

No interest or coupon is payable in respect of Top-10 Portfolio Limited Recourse Bonds.

## 7. REDEMPTION RIGHTS

(a) Top-10 Portfolio Limited Recourse Bonds are redeemable at the Redemption Amount. The **Redemption Amount**:

(i) will depend on the value of such portion of assets allocated to the Top-10 Portfolio Compartment (the **Top-10 Portfolio Underlying**) as corresponds to the number of the outstanding Top-10 Portfolio Limited Recourse Bonds to be redeemed; and

(ii) will be equal to the sum of (A) the relevant portion of the Top-10 Portfolio Underlying already held in the form of cash and (B) the amount received by Timberland Investment in connection with the redemption, disposal or enforcement (as applicable) of the relevant portion of the non-cash Top-10 Portfolio Underlying MINUS any unpaid costs.

(b) Unless previously purchased and cancelled, the Top-10 Portfolio Limited Recourse Bonds will be redeemed at the Redemption Amount by Timberland Investment. In limited circumstances, such as when the obligations of Timberland Investment arising under, or in connection with, the Top-10 Portfolio Limited Recourse Bonds become, in the opinion and at the discretion of Timberland Investment, unreasonably burdensome, Timberland Investment may redeem (in whole but not in part) the Top-10 Portfolio Limited Recourse Bonds.

(c) Without prejudice to its right of redemption in connection with an event of default (as provided for in the terms and conditions of Top-10 Portfolio Limited Recourse Bonds), the holder of Top-10 Portfolio Limited Recourse Bonds may request the redemption of all or part of the bonds held by it any time.

## 8. COSTS

Up to two (2) *per cent.* of the issue proceeds of the Top-10 Portfolio Limited Recourse Bonds will be set aside and recorded by Timberland Investment in a separate ledger (the **Cash Ledger**) to be used for the payment of (i) costs and expenses incurred by Timberland Investment in connection with, and relating to, the Top-10 Portfolio Limited Recourse Bonds and the Top-10 Portfolio Compartment or (ii) the relevant proportion of general costs of Timberland Investment allocated to the Top-10 Portfolio Compartment in accordance with the Timberland Investment Articles. Timberland Investment may determine the amount of the Cash Ledger at its sole discretion.

Costs and expenses incurred by Timberland Investment in connection with the Top-10 Portfolio Compartment include the Advisory Fee (as defined below).

**Advisory Fee** means the amount calculated by the Calculation Agent at the end of each calendar month using the fair value principle and payable by Timberland Investment to Timberland Fund Management Ltd. in respect of the Top-10 Portfolio Compartment, which shall be equal to the sum of

(A) the higher of:

(i) the sum of

(ii) 0.07916 *per cent.* per month of the tranche of the Adjusted Net Asset Value (as defined below) below EUR25,000,000; and

- (iii) 0.07083 *per cent.* per month of the tranche of the Adjusted Net Asset Value between EUR25,000,000 and EUR 50,000,000; and
- (iv) 0.0625 *per cent.* per month of the tranche of the Adjusted Net Asset Value above EUR50,000,000
- (v) or
- (vi) the amount of EUR2,500 per month during the year 2015 or EUR4,000 per month during the year 2016 and all subsequent years;

and

- (B) the sum of
  - (i) for the tranche of the Adjusted Net Asset Value below EUR25,000,000, a performance-based amount equal to 12.5 *per cent.* of the Net Increase of the NAV (as defined below); and
  - (ii) for the tranche of the Adjusted Net Asset Value between EUR25,000,000 and EUR50,000,000, a performance-based amount equal to 10 *per cent.* of the Net Increase of the NAV; and
  - (iii) for the tranche of the Adjusted Net Asset Value above EUR50,000,000 a performance-based amount equal to 7.5 *per cent.* of the Net Increase of the NAV
- (C) increased for (A) and (B) by the amount of VAT (as far as VAT is payable in respect of such performance-based amount in Luxembourg), where:

**Adjusted Net Asset Value** means the net value of the Top-10 Portfolio Compartment calculated by the Calculation Agent using the fair value principle (that is, independently of the principles of LUX GAAP (historical costs less durable impairments) or IFRS as the accounting principles applicable to Timberland Investment and its compartments) and reduced by, if applicable, the net value of the assets invested in Timberland Top-Dividende International (TL A) and Timberland Top-Dividende International (TL D).

**Net Increase of the NAV** means the positive difference between (i) the Adjusted Net Asset Value at the end of a given calendar month (the **Relevant Month**) of the Top-10 Portfolio Compartment compared at the end of the Relevant Month to (ii) the Adjusted Net Asset Value at the end of the immediately preceding calendar month of the Top-10 Portfolio Compartment, adjusted by (a) the Cash Inflows at the end of the Relevant Months and (b) the Cash Outflows at the end of the Relevant Month, where:

- (c) **Cash Inflows** means the aggregate amount received by Timberland Investment from the Issuer in the Relevant Month as consideration for the Top-10 Portfolio Limited Recourse Bonds; and
  - (d) **Cash Outflows** means the aggregate amount paid by Timberland Investment to the Issuer in the Relevant Month in order to redeem (if applicable) the Top-10 Portfolio Limited Recourse Bonds.
- (i) If no amount under (B) is due during one fiscal year, the basis for the subsequent determination of the Net Increase of the NAV will be the last Adjusted Net Asset Value of the ended fiscal year.
  - (ii) The amount under (B) is due at the end of each Relevant Month.

## 9. FURTHER ISSUES

Timberland Investment may from time to time, with the consent of the holder of Top-10 Portfolio Limited Recourse Bonds, create and issue under the Top-10 Portfolio Compartment further bonds (i) having the same terms and conditions in all respects as the outstanding Top-10 Portfolio Limited Recourse Bonds except for the issue date, so that such further issue shall be consolidated and form a single series with the outstanding Top-10 Portfolio Limited Recourse Bonds or (ii) upon such terms and conditions as Timberland Investment may determine at the time of their issue. Timberland Investment may, without the consent of the holder of Top-10 Portfolio Limited Recourse Bonds, issue all types of securities under other compartments set up by it.

## 10. GOVERNING LAW

Top-10 Portfolio Limited Recourse Bonds are governed by, and shall be construed in accordance with, Luxembourg law.

## 11. USE OF PROCEEDS

In this section, a reference to a “Fund Share” is a reference to a share of one or more of the thirty-three (33) series of Fund Shares eligible for investment by Timberland Investment the descriptions of which are set out in section “*Description of Fund Shares*” of the Prospectus.

Timberland Investment invests the net issue proceeds of the Top-10 Portfolio Limited Recourse Bonds into a selection of 10 different series of Fund Shares which is initially composed of the following Fund Shares:

Acatis Aktien Global Fonds UI A	ISIN: DE0009781740
Carmignac Investissement A	ISIN: FR0010148981
DJE Dividende & Substanz P	ISIN: LU0159550150
DWS Invest Top 50 Asia FC	ISIN: LU0145649181
DWS Top-Dividende	ISIN: DE0009848119
FFM-Fonds	ISIN: DE0008478116
Flossbach von Storch – Aktien Global F	ISIN: LU0097333701
Franklin Templeton Global Growth and Value Fund A	ISIN: LU0152903588
Lingohr Asien-Systematic-LBB-Invest	ISIN: DE0008479387
Tweedy Brown International Value Fund	ISIN: LU0076398725

Any and all series of Fund Shares included in the Top-10 Portfolio are collectively referred to herein as **Eligible Fund Shares**. An updated list of Eligible Funds is published on the website of the Issuer ([www.timberland-securities-top-10.com](http://www.timberland-securities-top-10.com)) every four (4) to six (6) weeks. Such information is available free of charge, subject to prior registration on the website.

All Eligible Fund Shares subscribed for or otherwise acquired by Timberland Investment acting in respect of the Top-10 Portfolio Compartment form part of a separate investment portfolio of Timberland Investment (the **Top-10 Portfolio**) and are allocated to the Top-10 Portfolio Compartment. The current composition of the Top-10 Portfolio is published on the website of the Issuer ([www.timberland-securities-top-10.com](http://www.timberland-securities-top-10.com)). Such information is available free of charge, subject to prior registration on the website.

## DESCRIPTION OF FUND SHARES

**ALL REFERENCES TO THE WEBSITES WHERE THE FUND PROSPECTUSES RELATING TO THE FUNDS MAY BE DOWNLOADED CONTAINED IN THIS SECTION “DESCRIPTION OF THE FUND SHARES” HAVE BEEN INCLUDED FOR EASE OF REFERENCE AND INVESTOR INFORMATION ONLY. PLEASE NOTE THAT SUCH FUND PROSPECTUSES ARE NOT INCORPORATED BY REFERENCE IN, AND DO NOT FORM AN INTEGRAL PART OF, THIS PROSPECTUS.**

### ACATIS AKTIEN GLOBAL FONDS UI A

The fund prospectus (the **ACATIS AG-UI Fund Prospectus**) of ACATIS AKTIEN GLOBAL FONDS UI A (**ACATIS AG-UI**) (<http://www.acatis.de/de/investment-funds/>) contains a detailed description of **ACATIS AG-UI**.

#### 1. ACATIS AKTIEN GLOBAL FONDS UI A

##### 1.1 ISIN / WKN

ISIN: DE0009781740

WKN: 978174

##### 1.2 Stock Exchange

ACATIS AG-UI has not taken any step for the admission to trading of the Class A units in ACATIS AG-UI (the **ACATIS AG-UI Securities**) on any stock exchange.

##### 1.3 Securities

###### (a) Description of the securities

The ACATIS AG-UI Securities are Class A units in ACATIS AG-UI. The ACATIS AG-UI Securities are capitalisation units denominated in EUR that do not entitle the holder to a dividend, but where the amount to be distributed is reinvested in ACATIS AG-UI.

The ACATIS AG-UI Securities are issued in the form of global certificates.

###### (b) Description of the market on which the securities are traded

###### (c) Frequency of the publication of the price of the securities

The price of the ACATIS AG-UI Securities is regularly published on the webpage of the management company (<http://www.universal-investment.de>).

#### 2. INVESTMENT POLICY

ACATIS AG-UI invests mainly in companies that have been chosen based upon traditional stock analysis (fundamental "bottom-up" analysis of individual stocks). The selection adheres to classical shareholder value aspects. ACATIS AG-UI invests in companies that are undervalued according to at least one of the following criteria: undervalued net asset value, high earnings power (that is not reflected in the stock price), above-average dividend yield, neglected industries or countries, overrated crises.

Important factors in making a decision are the transparency of the target company's accounting and its corporate governance. A pre-selection of stocks is made through

quantitative screening. The decision to buy is then made after a thorough analysis of the available information on each company.

In 2013, the management of ACATIS AG-UI continued to put strong emphasis on the industries of health care, information technology, energy and insurance. The management of ACATIS AG-UI mainly invests in companies that are in a transformation or due to valuation models are highly undervalued.

### **3. INVESTMENT RESTRICTIONS**

ACATIS AG-UI is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where ACATIS AG-UI Fund is located.

The relevant criteria and restrictions applicable to ACATIS AG-UI relate to, among others:

- transferable securities and money market instruments;
- UCITS and other UCIs;
- securitised financial instruments;
- covered bonds;
- bank deposits;
- derivative financial instruments; and
- securities lending.

### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, ACATIS AG-UI is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

ACATIS AG-UI is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in ACATIS AG-UI exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, ACATIS AG-UI may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of ACATIS AG-UI considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of ACATIS AG-UI is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments; especially but not limited to the development of equities;
- the liquidity of the assets invested in;
- concentration risks;
- credit risk;
- the use of derivative financial instruments;
- taxation;
- interest rate movements; and
- exchange rate movements of non-euro currencies in relation to the euro.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	Universal-Investment-Gesellschaft mbH Theodor-Heuss-Allee 70 D-60486 Frankfurt am Main
Assets under management	EUR350,200,000 as of July 2015
Management company	Universal-Investment-Gesellschaft mbH
Investment advisor	ACATIS Investment GmbH
Fund currency	EUR
Launch Date	21/05/1997
Length of life	Unlimited
Portfolio management location	Germany
Fiscal year end	31 December.
Custodian	Hauck & Aufhäuser Privatbankiers KGaA Kaiserstraße 24 D-60311 Frankfurt am Main

## 6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION

Universal-Investment-Gesellschaft mbH  
Theodor-Heuss-Allee 70

D-60486 Frankfurt am Main

The remuneration of the fund manager of ACATIS AG-UI is equal to 0.75 % p.a., payable quarterly and based on the average net assets of ACATIS AG-UI.

**7. ADDRESS OF INVESTMENT ADVISOR AND REMUNERATION**

ACATIS Investment GmbH  
mainBuilding, Taunus Anlage 18  
D60325 Frankfurt am Main

The remuneration of the investment advisor to the management company of ACATIS AG-UI is equal to 0.60 % p.a., payable quarterly and based on the average net assets of ACATIS AG-UI and a performance-based fee of up to 10% of the return achieved by ACATIS AG-UI in the relevant accounting period above the reference value (MSCI World® GDR (EUR)).

**8. STATUTORY AUDITOR**

KPMG AG Wirtschaftsprüfungsgesellschaft  
The Squire Am Flughafen  
60549 Frankfurt am Main

**9. FINANCIAL INFORMATION**

Financial information in respect of ACATIS AG-UI may be accessed on [www.acatis.de](http://www.acatis.de).

**10. ADDITIONAL INFORMATION**

Any additional information in respect of ACATIS AG-UI may be accessed on [www.acatis.de](http://www.acatis.de).

## **FIRST EAGLE AMUNDI INTERNATIONAL FUND (AU –C)**

The fund prospectus (the **FEA Fund Prospectus**) of FIRST EAGLE AMUNDI, *Société d'Investissement à Capital Variable (FEA)* ([http://www.amundi.com/ot\\_instit/Focus/First-Eagle-Amundi-International-Fund](http://www.amundi.com/ot_instit/Focus/First-Eagle-Amundi-International-Fund)) contains a detailed description of FEA and its sub-fund First Eagle Amundi International Fund (**FEAIF**).

### **1. FIRST EAGLE AMUNDI INTERNATIONAL FUND (AU-C)**

#### **1.1 ISIN / WKN**

ISIN: LU0068578508

WKN: 635297

#### **1.2 Stock Exchange**

The class AU-C shares of FEAIF (the **FEA Securities**) are admitted to trading on the market of the Luxembourg Stock Exchange named “BdL Market” and listed on the Official List of the Luxembourg Stock Exchange.

#### **1.3 Securities**

##### **(a) Description of the securities**

The FEA Securities are class AU-C shares in FEAIF. The FEA Securities are accumulation shares denominated in USD that will have the portion of FEAIF’s net investment income, which is attributable to the FEA Securities, retained within FEAIF thereby accumulating value in the price of the FEA Securities.

##### **(b) Description of the market on which the securities are traded**

The BdL Market operated by the Luxembourg Stock Exchange is a regulated market pursuant to the provisions of Directive 2004/39/EC, as amended (the "Markets in Financial Instruments Directive").

##### **(c) Frequency of the publication of the price of the securities**

The FEA Securities will be redeemed by reference to the net asset value of FEAIF. The net asset value per FEA Security is calculated on each valuation day. This information is available at the registered office of the management company and on [www.finesti.com](http://www.finesti.com).

### **2. INVESTMENT POLICY**

FEAIF seeks to offer investors capital growth through diversification of its investments over all categories of assets and a policy of following a ‘value’ approach.

To pursue its goal, FEAIF invests at least two-thirds of its net assets in equities, equity-linked instruments and bonds without any restriction in terms of market capitalisation, geographical diversification or in terms of what part of the assets of FEAIF may be invested in a particular class of assets or a particular market.

### **3. INVESTMENT RESTRICTIONS**

FEAIF is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment



restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where FEAIF is located.

The relevant criteria and restrictions applicable to FEAIF relate to, among others:

- transferable securities and money market instruments;
- UCITS and other UCIs;
- deposits;
- convertible bonds;
- derivative financial instruments; and
- securities lending.

#### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, FEAIF is subject to volatility, which means that the price per share may be subject to considerable downward or upward fluctuation, even within short periods of time.

FEAIF is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in FEAIF exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, FEAIF may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of FEAIF considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of FEAIF is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments; especially but not limited to the development of equities;
- developments in emerging markets;
- prepayment risk;
- investments in small and medium sized companies;
- the liquidity of the assets invested in;

- the use of derivative financial instruments;
- interest rate movements; and
- commodity risk.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	First Eagle Amundi 28-32, place de la Gare L-1616 Luxembourg
Assets under management	USD 7,033,890 as of July 2015
Management company	Amundi Luxembourg S.A.
Investment manager	First Eagle Investment Management LLC
Fund currency	USD
Launch date	12 August 1996
Length of life	Unlimited
Portfolio management location	Luxembourg
Fiscal year end	28/29 February
Custodian	Société Générale Bank & Trust 11, avenue Emile Reuter L-2420 Luxembourg

## 6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION

Amundi Luxembourg S.A.  
5, Allée Scheffer  
L-2520 Luxembourg

The remuneration of the management company consists in a management fee of currently 2.00 % p.a. of the assets of FEAIIF.

## 7. ADDRESS OF INVESTMENT MANAGER AND REMUNERATION

First Eagle Investment Management LLC  
1345 Avenue of the Americas  
New York, N.Y. 10105, United States

The remuneration of the investment manager of FEAIIF is paid by the management company of FEAIIF.

**8. STATUTORY AUDITOR**

Deloitte Audit  
560, rue de Neudorf  
L-2220 Luxembourg

**9. FINANCIAL INFORMATION**

Financial information in respect of FEA may be accessed on <http://www.amundi.com>.

**10. ADDITIONAL INFORMATION**

Any additional information in respect of FEA may be accessed on <http://www.amundi.com>.

## BL GLOBAL EQUITIES B

The fund prospectus (the **BL Fund Prospectus**) of BL, *Société d'Investissement à Capital Variable (BL)*

(<http://www.banquedeluxembourg.com/de/bank/corporate/fondsdetails?fundId=1287012000&isin=LU0117287580&tag=LU0117287580&fundname=BL%20Global%20Equities>) contains a detailed description of BL and its sub-fund BL Global Equities (**BLGE**).

All capitalised terms in this description of BL and BLGE which are not otherwise defined herein have the same meaning as in the BL Fund Prospectus.

### 1. BL - GLOBAL EQUITIES B

#### 1.1 ISIN / WKN

ISIN: LU0117287580

WKN: 577995

#### 1.2 Stock Exchange

The Class B shares in BLGE (the **BLGE Securities**) are admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the Official List of the Luxembourg Stock Exchange.

#### 1.3 Securities

(a) Description of the securities

The BLGE Securities are Class B shares in BLGE. The BLGE Securities are capitalisation shares denominated in EUR that do not, as a general rule, entitle the holder to a dividend, but where the amount to be distributed is reinvested in BLGE.

(b) Description of the market on which the securities are traded.

Please refer to section 1.2.

(c) Frequency of the publication of the price of the securities

The net asset value of BLGE is regularly published on every bank business day in Luxembourg at the registered office of BL. The division of the net asset value of BLGE by the number of BLGE Securities equals the price of the BLGE Securities.

### 2. INVESTMENT POLICY

The investment policy of BLGE is to achieve capital gains over the long term.

BLGE invests a minimum of two-thirds of its net assets in equities, without geographical, sectorial or monetary limitation. Companies are chosen on the basis of their fundamentals and their stock market valuation.

With a view to achieving its investment objective and in accordance with the provisions of Chapters 5 and 6 of the BL Fund Prospectus, BLGE may invest up to 10% of its net assets in UCITS and other undertakings in collective investments (**UCIs**).

In order to invest its cash and in accordance with the provisions of Chapters 5 and 6 of the BL Fund Prospectus, BLGE may also invest up to a maximum of one-third of its net assets in:

- money-market instruments;
- money-market UCIs or UCIs investing in debt securities with a final or residual maturity of no more than 12 months, taking into account the underlying financial instruments, and debt securities whose interest rate is adjusted at least once per year, taking into account the related instruments.

BLGE may also invest in derivative products and instruments (such as stock index futures, forward exchanges and options traded on regulated markets) for the purposes of hedging or optimising portfolio exposure.

### **3. INVESTMENT RESTRICTIONS**

BL is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where BL is located.

The relevant criteria and restrictions applicable to BLGE relate to, among others:

- transferable securities and money market instruments;
- UCITS and other UCIs;
- effective portfolio management instruments and techniques;
- derivative financial instruments; and
- borrowings, loans and short sales.

### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, BLGE is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

BLGE is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in BLGE exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, BLGE may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of

BLGE considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of BLGE is generally dependent on the implementation of its investment policy and is influenced in particular by the following risk factors, which give rise to both opportunities and risks:

- developments in the equity markets;
- developments in emerging markets; and
- exchange rate movements of non-euro currencies in relation to the euro.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	BL, <i>Société d'Investissement à Capital Variable</i> 14, boulevard Royal L-2449 Luxembourg
Assets under management	EUR370,540,000 as of 20 August 2015
Fund manager	Banque de Luxembourg Investments S.A.
Fund currency	EUR
Launch Date	31 October 2000
Length of life	Unlimited
Portfolio management location	Luxembourg
Fiscal year end	30 September of each year
Custodian	Banque de Luxembourg S.A. 14, boulevard Royal L-2449 Luxembourg

## 6. ADDRESS OF FUND MANAGER AND REMUNERATION

Banque de Luxembourg Investments S.A.  
14, boulevard Royal  
L-2449 Luxembourg

The remuneration of the fund manager of BLGE is equal to a maximum of 1.00% p.a., payable quarterly and based on of the average net assets of the BLGE Securities for the quarter concerned.

## 7. STATUTORY AUDITOR

KPMG Audit S.à r.l.  
9, allée Scheffer  
L-2520 Luxembourg

**8. FINANCIAL INFORMATION**

Financial information in respect of BL may be accessed on <http://www.banquedeluxembourg.com>.

**9. ADDITIONAL INFORMATION**

Any additional information in respect of BL may be accessed on <http://www.banquedeluxembourg.com>.

## **BNY MELLON GLOBAL OPPORTUNITIES FUND A (USD)**

The fund prospectus (the **BNYM Fund Prospectus**) of BNY Mellon Global Funds, plc (**BNYM**) (<http://www.bnymellonam.com>) contains a detailed description of BNYM and its sub-fund BNY Mellon Global Opportunities Fund A (USD) (**BNYM GOF**).

### **1. BNY MELLON GLOBAL OPPORTUNITIES FUND A (USD)**

#### **1.1 ISIN / WKN**

ISIN: IE0004086264

WKN: 798134

#### **1.2 Stock Exchange**

BNYM has not taken any steps for the admission to trading of the class “USD A” shares in BNYM GOF (the **BNYM GOF Securities**) on any stock exchange.

#### **1.3 SECURITIES**

##### **(a) Description of the securities**

The BNYM GOF Securities are class “USD A” shares in BNYM GOF. The BNYM GOF Securities are accumulation shares denominated in USD that do not, as a general rule, entitle the holder to be paid the income attributable to such shares but that income is automatically transferred to (and retained as part of) the capital assets of BNYM GOF immediately after the relevant interim and / or annual accounting dates. The price of such shares continues to reflect this retention of the income entitlement, which will be transferred after deduction of expenses.

##### **(b) Description of the market on which the securities are traded.**

N/A

##### **(c) Frequency of the publication of the price of the securities**

The price at which BNYM GOF Securities will be repurchased will be based on the net asset value per BNYM GOF Security. The net asset value is made public inter alia at the registered office of the administrator of BNYM and is also available on <http://www.bnymellonam.com>.

The net asset value is published on each business day or such other days as the directors of BNYM may determine provided that all holders of BNYM GOF Securities are notified in advance and provided that there shall be at least one valuation day in each week.

### **2. INVESTMENT POLICY**

BNYM GOF will invest primarily, meaning at least two-thirds of BNYM GOF's assets, in a portfolio of equity and equity-related securities (including convertible bonds (usually unrated), convertible preference shares and warrants (subject to a 10% limit of net asset value of BNYM GOF in the case of warrants) of companies located worldwide which are listed or traded on Recognised Exchanges.

Up to one-third of BNYM GOF's assets may be invested in international sovereign, government, supranational agency, corporate, bank and other bonds (including mortgage and corporate bonds) and other debt and debt-related securities (such as debentures, notes



(including corporate, sovereign, floating and fixed rate notes with a minimum term of one year or more) or asset and mortgage backed securities, certificates of deposit, commercial paper and American and/or global depository receipts) listed or traded on recognised exchanges located worldwide.

The minimum credit rating of the debt and debt-related instruments in which BNYM GOF may invest is BBB- rated by Standard & Poor's Rating Group or if unrated, determined to be of equivalent quality by the investment manager of BNYM GOF.

BNYM GOF is a global fund insofar as its investments are not confined or concentrated in any particular geographic region or market and consequently, short term performance may be volatile. As a consequence an investment in BNYM GOF may involve certain additional risks due to the volatility of its short-term performance.

### **3. INVESTMENT RESTRICTIONS**

BNYM is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled "Obligations concerning the investment policies of UCITS" of Directive 2009/65/EC, as implemented by the national law of the Member State where BNYM is located.

The relevant criteria and restrictions applicable to BNYM relate to, among others:

- transferable securities;
- credit ratings of debt and debt-related instruments;
- index tracking UCITS;
- OTC derivative transactions;
- approved money market instruments;
- collective investment schemes;
- deposits; and
- derivative instruments.

### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, BNYM is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

BNYM is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in BNYM exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure

events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, BNYM may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of BNYM considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of BNYM is generally dependent on the implementation of its investment policy and is influenced in particular by the following risk factors:

- currency and exchange rates;
- political and/or regulatory risks;
- counterparty risks;
- securities lending;
- investments in Russia;
- inflation;
- taxation;
- cancellation risks;
- investment in derivatives;
- liquidity risk;
- emerging markets; and
- credit ratings.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	33 Sir John Rogerson's Quay, Dublin 2, Ireland
Assets under management	USD130,820,000 as of July 2015
Fund manager	BNY Mellon Global Management Limited
Investment manager	Newton Investment Management Limited
Fund currency	USD
Launch Date	1 August 1997
Length of life	Unlimited
Portfolio management location	United Kingdom

Fiscal year end	31 December
Custodian	BNY Mellon Trust Company (Ireland) Limited Guild House Guild Street IFSC Dublin 1 Ireland

**6. ADDRESS OF FUND MANAGER AND REMUNERATION**

BNY Mellon Global Management Limited  
33 Sir John Rogerson's Quay  
Dublin 2, Ireland

The remuneration of the fund manager of BNYM is based on the net asset value of the BNYM GOF and is equal to an annual management fee of 2% p.a. and an initial sales charge of up to 5.00% p.a. BNYM GOF also pays the out-of-pocket expenses of the fund manager.

**7. ADDRESS OF INVESTMENT MANAGER AND REMUNERATION**

Newton Investment Management Limited  
160 Queen Victoria Street,  
EC4V 4LA  
United Kingdom

The investment manager's fees and expenses will be paid by the fund manager out of its remuneration as described in the section above.

**8. AUDITOR**

PricewaterhouseCoopers, Ireland  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

**9. FINANCIAL INFORMATION**

Financial information in respect of BNYM GOF may be accessed on <http://www.bnymellonam.com>.

**10. ADDITIONAL INFORMATION**

Any additional information in respect of BNYM GOF may be accessed on <http://www.bnymellonam.com>.

## CARMIGNAC INVESTISSEMENT A EUR ACC

The fund prospectus (the **Carmignac Fund Prospectus**) CARMIGNAC INVESTISSEMENT, *fonds commun de placement de droit français (Carmignac)* (<http://www.carmignac.com>) contains a detailed description of Carmignac.

### 1. CARMIGNAC INVESTISSEMENT A EUR ACC

#### 1.1 ISIN

ISIN: FR0010148981

#### 1.2 Stock Exchange

Carmignac has not taken any steps for the admission to trading of the category A EUR acc units in Carmignac (the **Carmignac Securities**) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The Carmignac Securities are category A EUR acc units in Carmignac. The Carmignac Securities are accumulation units denominated in EUR that do not, as a general rule, entitle the holder to a dividend, but where the net income attributable to a unit is accumulated so that it is reflected in the increased value of that unit.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The price at which Carmignac Securities will be redeemed will be based on the net asset value per unit. The net asset value per unit is calculated daily in accordance with the calendar of Euronext Paris, except on public holidays in France. The redemption price of the Carmignac Securities is made public on <http://www.carmignac.com>.

### 2. INVESTMENT POLICY

The objective of Carmignac is to exceed the performance of the global equity index “MSCI AC World NR (USD)” over a minimum investment horizon of 5 years. “MSCI AC World NR (USD)” is an index which represents the international blue chip companies in industrialised countries and emerging markets.

Carmignac is actively managed and invests primarily in international equity securities of global financial centres. In addition, investments in other types of securities may be made.

The investment policy of Carmignac is applied without restriction to a particular region, sector, type or volume of values.

The investments and/or weighting of Carmignac consist at least 60% of the net assets value in shares in companies from the of Euro zone, shares in international companies and shares in emerging markets companies.

### **3. INVESTMENT RESTRICTIONS**

Carmignac is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where Carmignac is located.

The relevant criteria and restrictions applicable to Carmignac relate to, among others:

- equity securities and liquid assets;
- debt securities and money market instruments;
- UCITS and other UCIs;
- securities lending; and
- derivative instruments.

### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, Carmignac is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

Carmignac is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in Carmignac exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, Carmignac may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of Carmignac considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of Carmignac is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments
- failures to perform by counterparties (OTC financial agreements);
- the fluctuation of the value of equity investments;
- increase of interest rates;

- risks relating to investments in emerging markets;
- risks relating to liquidity; and
- exchange rate movements.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	CARMIGNAC GESTION, <i>Société anonyme</i> 24, Place Vendôme F-75001 Paris
Assets under management	EUR6,064,000,000 as of July 2015
Management company	CARMIGNAC GESTION, <i>Société anonyme</i>
Fund currency	EUR/CHF/GBP/USD
Launch Date	26 January 1989
Length of life	99 years
Portfolio management location	France
Fiscal year end	The day of the last net asset value in December of each year
Custodian	CACEIS BANK FRANCE, <i>Société anonyme</i> 1-3, Place Valhubert F-75013 Paris

## 6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION

CARMIGNAC GESTION, *Société anonyme*  
24, Place Vendôme  
F-75001 Paris

CARMIGNAC GESTION, *Société anonyme*, for performing as management company for Carmignac will receive as remuneration from Carmignac an annual fee of up to 1.50% of the net asset value of the Carmignac Securities, a performance-related fee and a fee of up to 0.4% for each executed transaction.

## 7. STATUTORY AUDITORS

Cabinet VIZZAVONA  
22, avenue Bugeaud  
F-75116 Paris

KPMG AUDIT  
1, Cours Valmy  
F-92923 Paris La Défense Cedex

**8. FINANCIAL INFORMATION**

Financial information in respect of CARMIGNAC may be accessed on <http://www.carmignac.com>

**9. ADDITIONAL INFORMATION**

Any additional information in respect of CARMIGNAC may be accessed on <http://www.carmignac.com>

## DJE - DIVIDENDE & SUBSTANZ PA

The fund prospectus (the **DJE Fund Prospectus**) of DJE, *fonds commun de placement (DJE)* (<http://www.dje.lu>) contains a detailed description of DJE and its sub-fund DJE – Dividende & Substanz (**D&S PA**).

### 1. DJE - DIVIDENDE & SUBSTANZ I

#### 1.1 ISIN / WKN

ISIN: LU0828771344

WKN: A1J4B6

#### 1.2 Stock Exchange

DJE has not taken any steps for the admission to trading of the Class I units in D&S PA (the **D&S PA Securities**) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The D&S PA Securities are Class I units in D&S PA. The D&S PA Securities are distributing units denominated in EUR that do not, as a general rule, entitle the holder to a dividend.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The net asset value of D&S PA is available on every bank business day in Luxembourg at the registered office of DJE's fund manager. The division of the net asset value of D&S PA by the number of D&S PA Securities equals the price of the D&S PA Securities.

### 2. INVESTMENT POLICY

The investment policy of D&S PA is to achieve reasonable growth whilst taking into account the investment risks.

In addition to or in derogation from article 4 of the management regulations of DJE set out in the DJE Fund Prospectus the provisions in annex 6 of the DJE Fund Prospectus under the heading "Anlagepolitik" (investment policy) shall apply.

In order to achieve the investment objectives, D&S PA's assets are primarily invested in equity securities which are listed on a stock exchange or equity securities which are traded on a regulated market which operates regularly, is recognised as such and is available to the public.

D&S PA may also invest its assets in fixed or floating rate securities which are listed on a stock exchange or fixed or floating rate securities which are traded on a regulated market which operates regularly, is recognised as such and is available to the public.

The investment advisor of D&S PA does the selection of the securities in accordance with the so-called value approach. This is understood to be securities that are fundamentally



undervalued and, as a result, their value having the potential to considerably increase or the securities having an above-average dividend yield in their own market segment.

D&S PA invests a minimum of two-thirds of its net assets in equities, without geographical, sectorial or monetary limitation. Companies are chosen on the basis of their fundamentals and their stock market valuation.

With a view to achieving its investment objective D&S PA may invest up to 10% of its net assets in UCITS and other undertakings in collective investments.

Subject to certain conditions set out in the DJE Fund Prospectus, D&S PA may also invest in derivative products and instruments (such as futures and options) for the purposes of hedging or optimising portfolio exposure.

### **3. INVESTMENT RESTRICTIONS**

DJE is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where DJE is located.

The relevant criteria and restrictions applicable to D&S PA relate to, among others:

- transferable securities and money market instruments;
- UCITS and other UCIs;
- effective portfolio management instruments and techniques;
- derivative financial instruments; and
- borrowings, loans and short sales.

### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, D&S PA is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

D&S PA is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in D&S PA exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, D&S PA may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of

D&S PA considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of D&S PA is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments; especially but not limited to the development of equities;
- developments in emerging markets;
- the liquidity of the assets invested in;
- counterparty risk;
- the use of derivative financial instruments;
- investments in high yield products;
- investments in real estate investment trusts; and
- exchange rate movements.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	DJE Investment S.A. 4, rue Thomas Edison L-1445 Luxembourg-Strassen
Assets under management	EUR1,280,000,000 as of 18 August 2015
Investment adviser	DJE Kapital AG
Fund currency	EUR
Launch date	27 January 2003
Length of life	Unlimited
Portfolio management location	Luxembourg
Fiscal year end	30 June
Custodian	DZ Privatbank S.A. 4, rue Thomas Edison L-1445 Luxembourg-Strassen

## 6. ADDRESS OF FUND MANAGER AND REMUNERATION

DJE Investment S.A.  
4, rue Thomas Edison  
L-1445 Luxembourg-Strassen

The remuneration of the fund manager of D&S PA is equal to (i) a maximum of 1.07% p.a., payable monthly in arrears and based on of the average net assets of the D&S PA Securities for the month concerned and a monthly flat rate of EUR500.

**7. STATUTORY AUDITOR**

Deloitte Audit S.à r.l.  
560, rue de Neudorf  
L-2220 Luxembourg

**8. FINANCIAL INFORMATION**

Financial information in respect of DJE may be accessed on <http://www.dje.lu/>.

**9. ADDITIONAL INFORMATION**

Any additional information in respect of DJE may be accessed on <http://www.dje.lu/>.

## DJE - DIVIDENDE & SUBSTANZ P

The fund prospectus (the **DJE Fund Prospectus**) of DJE, *fonds commun de placement (DJE)* (<http://www.dje.lu>) contains a detailed description of DJE and its sub-fund DJE – Dividende & Substanz (**D&S P**).

### 1. DJE DIVIDENDE & SUBSTANZ P

#### 1.1 ISIN / WKN

ISIN: LU0159550150  
WKN: 164325

#### 1.2 STOCK EXCHANGE

DJE has not taken any step for the admission to trading of Class P units in D&S P (**the D&S P Securities**) or any stock exchange.

#### 1.3 SECURITIES

(a) Description of the securities

The D&S P Securities are Class P units in D&S P. The D&S P Securities are capitalisation units denominated in EUR that do not, as a general rule, entitle the holder to a dividend, but where the amount to be distributed is reinvested in D&S P.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The net asset value of D&S P is available on every bank business day in Luxembourg at the registered office of DJE's fund manager. The division of the net asset value of D&S P by the number of D&S P Securities equals the price of the D&S P Securities.

### 2. INVESTMENT POLICY

The investment policy of D&S P is to achieve reasonable growth whilst taking into account the investment risks.

In addition to or in derogation from article 4 of the management regulations of DJE set out in the DJE Fund Prospectus the provisions in annex 6 of the DJE Fund Prospectus under the heading "Anlagepolitik" (investment policy) shall apply.

In order to achieve the investment objectives, D&S P's assets are primarily invested in equity securities which are listed on a stock exchange or equity securities which are traded on a regulated market which operates regularly, is recognised as such and is available to the public.

D&S P may also invest its assets in fixed or floating rate securities which are listed on a stock exchange or fixed or floating rate securities which are traded on a regulated market which operates regularly, is recognised as such and is available to the public.

The investment advisor of D&S P does the selection of the securities in accordance with the so-called value approach. This is understood to be securities that are fundamentally

undervalued and, as a result, their value having the potential to considerably increase or the securities having an above-average dividend yield in their own market segment.

D&S P invests a minimum of two-thirds of its net assets in equities, without geographical, sectorial or monetary limitation. Companies are chosen on the basis of their fundamentals and their stock market valuation.

With a view to achieving its investment objective D&S P may invest up to 10% of its net assets in UCITS and other undertakings in collective investments.

Subject to certain conditions set out in the DJE Fund Prospectus, D&S P may also invest in derivative products and instruments (such as futures and options) for the purposes of hedging or optimising portfolio exposure.

### **3. INVESTMENT RESTRICTIONS**

DJE is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where DJE is located.

The relevant criteria and restrictions applicable to D&S P relate to, among others:

- transferable securities and money market instruments;
- UCITS and other UCIs;
- effective portfolio management instruments and techniques;
- derivative financial instruments; and
- borrowings, loans and short sales.

### **4. PRINCIPAL RISK FACTORS**

Due to its composition and the techniques applied by its fund management D&S P is subject to increased volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

D&S P is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in D&S P exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, D&S P may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of

D&S P considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of D&S P is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments; especially but not limited to the development of equities;
- developments in emerging markets;
- the liquidity of the assets invested in;
- counterparty risk;
- the use of derivative financial instruments;
- investments in high yield products;
- investments in real estate investment trusts; and
- exchange rate movements.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	DJE Investment S.A. 4, rue Thomas Edison L-1445 Luxembourg-Strassen
Assets under management	EUR1,280,000,000 as of 18 August 2015
Investment adviser	DJE Kapital AG
Fund currency	EUR
Launch date	27 January 2003
Length of life	Unlimited
Portfolio management location	Luxembourg
Fiscal year end	30 June
Custodian	DZ Privatbank S.A. 4, rue Thomas Edison L-1445 Luxembourg-Strassen

## 6. ADDRESS OF FUND MANAGER AND REMUNERATION

DJE Investment S.A.  
4, rue Thomas Edison  
L-1445 Luxembourg-Strassen

The remuneration of the fund manager of D&S P is equal to (i) a maximum of 1.32% p.a., payable monthly in arrears and based on of the average net assets of the D&S P Securities for the month concerned and a monthly flat rate of EUR500.

**7. STATUTORY AUDITOR**

Deloitte Audit S.à r.l.  
560, rue de Neudorf  
L-2220 Luxemburg

**8. FINANCIAL INFORMATION**

Financial information in respect of DJE may be accessed on <http://www.dje.lu>

**9. ADDITIONAL INFORMATION**

Any additional information in respect of DJE may be accessed on <http://www.dje.lu/>

## DWS GLOBAL VALUE (LD)

The fund prospectus (the **DWS GV Fund Prospectus**) of DWS Global Value, *fonds commun de placement (DWS GV)* (<https://funds.deutscheawm.com/lu/Products/Funds/625/Downloads>) contains a detailed description of DWS GV.

### 1. DWS GLOBAL VALUE (LD)

#### 1.1 ISIN / WKN

ISIN: LU0133414606

WKN: 939853

#### 1.2 Stock Exchange

DWS GV has not taken any steps for the admission to trading of the class LD units in DWS GV (the **DWS GV Securities**) on any stock exchange.

#### 1.3 Securities

##### (a) Description of the securities

The DWS GV Securities are class LD units in DWS GV. The DWS GV Securities are units denominated in EUR that entitle the holder to a distribution upon decision of the management company of DWS GV.

##### (b) Description of the market on which the securities are traded

N/A

##### (c) Frequency of the publication of the price of the securities

The price on which the DWS GV Securities are issued or redeemed are is based on the net asset value of the DWS GV Securities and is published on [www.dws.lu](http://www.dws.lu) on every bank business day.

### 2. INVESTMENT POLICY

The objective of the investment policy of DWS GV is to generate a return in euro. DWS GV's assets are invested primarily in equities, equity certificates, convertible bonds, convertible debentures and warrant-linked bonds, as well as in participation and dividend-right certificates considered by the management company to be undervalued, top-quality stocks, or "value stocks." Care is taken to ensure an international spread. Value stocks are those whose market price is underpinned by appropriate company fundamentals.

Positions may also be established which anticipate declines in equities or indices.

### 3. INVESTMENT RESTRICTIONS

DWS GV is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled "Obligations concerning the investment policies of UCITS" of Directive 2009/65/EC, as implemented by the national law of the Member State where DWS GV is located.



The relevant criteria and restrictions applicable to DWS GV relate to, among others:

- transferable securities and money market instruments;
- UCITS and other UCIs;
- encumbrance of DWS GV's assets;
- swaps, credit default swaps and securitised financial instruments;
- repurchase agreements;
- OTC derivatives; and
- borrowings, loans, deposits and short sales.

#### **4. PRINCIPAL RISK FACTORS**

Due to its composition and the techniques applied by its fund management, DWS GV is subject to increased volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

DWS GV is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in DWS GV exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, DWS GV may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of DWS GV considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of DWS GV is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- credit risk;
- currency risk;
- the acquisition of units in UCIs
- legal and tax risk;
- the use of derivative financial instruments;
- the use of securities lending transactions and repurchase agreements; and
- liquidity risk.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	DWS Investment S.A. 2, boulevard Konrad Adenauer L-1115 Luxembourg
Assets under management	EUR693,900,000 as of July 2015
Management company	DWS Investment S.A.
Fund manager	Deutsche Asset & Wealth Management Investment GmbH
Fund currency	EUR
Launch Date	18 June 2001
Length of life	Unlimited
Portfolio management location	Germany
Fiscal year end	31 March
Custodian	State Street Bank Luxembourg S.A. 49, avenue J.F. Kennedy L-1855 Luxembourg

## 6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION

DWS Investment S.A.  
2, boulevard Konrad Adenauer  
L-1115 Luxembourg

The remuneration of the management company of DWS GV is equal to 1.45% p.a., payable monthly and based on the average net assets of the DWS GV Securities on each valuation date.

## 7. ADDRESS OF FUND MANAGER AND REMUNERATION

Deutsche Asset & Wealth Management Investment GmbH  
Mainzer Landstraße 178-190  
D-60327 Frankfurt

The remuneration of the fund manager of DWS GV is paid out of the all-in fee of the management company of DWS GV.

## 8. STATUTORY AUDITOR

KPMG Luxembourg S.à r.l.  
9, Allée Scheffer  
L -2520 Luxembourg

**9. FINANCIAL INFORMATION**

Financial information in respect of DWS GV may be accessed on <http://www.dws.lu>.

**10. ADDITIONAL INFORMATION**

Any additional information in respect of DWS GV may be accessed on <http://www.dws.lu>.

## DWS INVEST TOP ASIA (LC EUR)

The fund prospectus (the **DWS TA Fund Prospectus**) of DWS Invest I, *Société d'Investissement à Capital Variable* (DWS Invest I) (<https://funds.deutscheawm.com/lu/Products/Funds/762/Downloads>) contains a detailed description of DWS Invest I and its sub-fund DWS Invest I Top Asia (**DWS TA**).

### 1. DWS INVEST TOP ASIA (LC EUR)

#### 1.1 ISIN / WKN

ISIN: LU0145648290

WKN: 552521

#### 1.2 Stock Exchange

DWS TA has not taken any steps for the admission to trading of the class LC shares in DWS TA (the **DWS TA Securities**) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The DWS TA Securities are class LC shares in DWS TA. The DWS TA Securities are accumulation shares denominated in EUR that offer a reinvestment of income in DWS TA.

(b) Description of the market on which the securities are traded

N/A

(c) Frequency of the publication of the price of the securities

Information not available in the DWS TA Fund Prospect.

### 2. INVESTMENT POLICY

The objective of the investment policy of DWS TA is to achieve an appreciation as high as possible of capital invested in euros. At least 70% of DWS TA's assets are invested in equities of companies having their registered offices or principal business activity in Asia. A company is viewed as having its principal business activity in Asia if the greatest part of its earnings or revenues is generated there. Considered as Asian issuers are companies having their registered offices or principal business activity in Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand and the People's Republic of China.

### 3. INVESTMENT RESTRICTIONS

DWS TA is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled "Obligations concerning the investment policies of UCITS" of Directive 2009/65/EC, as implemented by the national law of the Member State where DWS TA is located.

The relevant criteria and restrictions applicable to DWS TA relate to, among others:

- transferable securities and money market instruments;
- UCITS and other UCIs;
- encumbrance of DWS TA's assets;
- swaps, credit default swaps and securitised financial instruments;
- repurchase agreements;
- OTC derivatives; and
- borrowings, loans, deposits and short sales.

#### **4. PRINCIPAL RISK FACTORS**

Due to its composition and the techniques applied by its fund management, DWS TA is subject to increased volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

DWS TA is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in DWS TA exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, DWS TA may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of DWS TA considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of DWS TA is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- credit risk;
- currency risk;
- investing in Asia;
- the acquisition of units in UCIs
- legal and tax risk;
- the use of derivative financial instruments;
- the use of securities lending transactions and repurchase agreements; and
- liquidity risk.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	Deutsche Invest I 2, boulevard Konrad Adenauer L-1115 Luxembourg
Assets under management	EUR271,200,000 as of July 2015
Management company	DWS Investment S.A.
Fund managers	Deutsche Asset & Wealth Management Investment GmbH and Deutsche Asset Management (UK) Ltd.
Fund currency	EUR
Launch Date	03 June 2002
Length of life	Unlimited
Portfolio management location	Germany and Great Britain
Fiscal year end	30 December
Custodian	State Street Bank Luxembourg S.A. 49, avenue J.F. Kennedy L-1855 Luxembourg

## 6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION

DWS Investment S.A.  
2, boulevard Konrad Adenauer  
L-1115 Luxembourg

The remuneration of the management company of DWS TA is equal to 1.50% p.a., payable monthly and based on the average net assets of the DWS TA Securities on each valuation date.

## 7. ADDRESS OF FUND MANAGERS AND REMUNERATION

Deutsche Asset & Wealth Management Investment GmbH  
Mainzer Landstraße 178-190  
D-60612 Frankfurt

Deutsche Asset Management (UK) Limited, London  
1 Appold Street, Broadgate  
London, UK EC2A 2UU

The remuneration of the fund managers of DWS TA is paid out of the all-in fee of the management company of DWS TA.

## 8. STATUTORY AUDITOR

KPMG Luxembourg S.à r.l.  
9, Allée Scheffer

L -2520 Luxemburg

**9. FINANCIAL INFORMATION**

Financial information in respect of DWS TA may be accessed on <http://www.dws.lu>.

**10. ADDITIONAL INFORMATION**

Any additional information in respect of DWS TA may be accessed on <http://www.dws.lu>.

## **DWS TOP DIVIDENDE**

The fund prospectus (the **DWS TD Fund Prospectus**) of DWS Top Dividende (**DWS TD**) (<http://www.dws.lu>) contains a detailed description of DWS TD.

### **1. DWS TOP DIVIDENDE**

#### **1.1 ISIN / WKN**

ISIN: DE0009848119

WKN: 984811

#### **1.2 Stock Exchange**

DWS TD has not taken any steps for the admission to trading of the Class LD units in DWS TD (the **DWS TD Securities**) on any stock exchange.

#### **1.3 Securities**

(a) Description of the securities

The DWS TD Securities are Class LD units in DWS TD. The DWS TD Securities are units denominated in EUR that entitle the holder to a dividend which is paid yearly within three months after the end of the fiscal year.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

Information not available in the DWS TD Fund Prospectus.

### **2. INVESTMENT POLICY**

DWS TD aims to achieve the highest possible capital growth and at the same time an appropriate annual distribution in EUR.

DWS TD acquires and sells assets permitted under the German Capital Investment Act (KAGB) and the investments conditions of DWS TD after having assessed the economic conditions and the market conditions as well as the outlook of the relevant market.

At least 70% of the value of the DWS TD has to be invested in the shares of domestic and foreign companies for which an above-average dividend yield may be expected.

### **3. INVESTMENT RESTRICTIONS**

DWS TD is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where DWS TD is located.

The relevant criteria and restrictions applicable to DWS TD relate to, among others:



- transferable securities and money market instruments;
- UCITS and other UCIs;
- effective portfolio management instruments and techniques;
- derivative financial instruments; and
- borrowings, loans, deposits and short sales.

#### 4. PRINCIPAL RISK FACTORS

Due to the composition and the techniques applied by its fund management, DWS TD is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

DWS TD is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in DWS TD exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, DWS TD may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of DWS TD considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of DWS TD is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments;
- developments in emerging markets;
- the use of derivative financial instruments;
- interest rate movements; and
- exchange rate movements of non-euro currencies in relation to the euro.

The risk factors listed in this section are not exhaustive.

#### 5. CORPORATE INFORMATION

Address	Deutsche Asset & Wealth Management Investment GmbH D-60612 Frankfurt
Assets under management	EUR14,383,200,000 as of July 2015

Fund manager	Deutsche Asset & Wealth Management Investment GmbH
Fund currency	EUR
Launch Date	15 March 2003
Length of life	Unlimited
Portfolio management location	Germany
Fiscal year end	30 September
Custodian	State Street Bank GmbH Brienner Straße 59 D-80333 München

**6. ADDRESS OF FUND MANAGER AND REMUNERATION**

Deutsche Asset & Wealth Management Investment GmbH  
D-60612 Frankfurt am Main

The remuneration of the fund manager of DWS TD is equal to 1.45% p.a., payable daily and based on the average net assets of the DWS TD Securities.

**7. STATUTORY AUDITOR**

KPMG AG  
The Square, Am Flughafen,  
D-60549 Frankfurt am Main

**8. FINANCIAL INFORMATION**

Financial information in respect of DWS TD may be accessed on <http://www.dws.de>.

**9. ADDITIONAL INFORMATION**

Any additional information in respect of DWS TD may be accessed on <http://www.dws.de>.

## FMM-FONDS

The fund prospectus (the **FMM-F Fund Prospectus**) of FMM-Fonds (**FMM-F**) (<http://www.frankfurt-trust.de>) contains a detailed description of FMM-F.

### 1. FMM-FONDS

#### 1.1 ISIN / WKN

ISIN: DE0008478116

WKN: 847811

#### 1.2 Stock Exchange

FMM-F has not taken any steps for the admission to trading of the units in FMM-F (the **FMM-F Securities**) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The FMM-F Securities are units in FMM-F. The FMM-F Securities are capitalisation units denominated in EUR that do not, as a general rule, entitle the holder to a dividend, but where the amount to be distributed is reinvested in FMM-F.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The redemption price of the FMM-F Securities is regularly published on [www.frankfurt-trust.de](http://www.frankfurt-trust.de).

## 2. INVESTMENT POLICY

FMM-F invests worldwide in a diversified manner and primarily in equity. In addition, FMM-F may invest in government bonds and corporate bonds.

FMM-F makes a fundamental, monetary and technical market analysis which forms the basis for the selection of the shares and the share ratio of FMM-F.

The selection of individual securities and the diversification of FMM-F are based on the assessment of its fund manager.

FMM-F aims to participate in the positive performance of stock markets worldwide.

## 3. INVESTMENT RESTRICTIONS

FMM-F is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled "Obligations concerning the investment policies of UCITS" of Directive 2009/65/EC, as implemented by the national law of the Member State where BL is located.

The relevant criteria and restrictions applicable to FMM-F relate to, among others:

- transferable securities and money market instruments;
- UCITS and other UCIs;
- covered bonds;
- effective portfolio management instruments and techniques;
- liquidity management;
- derivative financial instruments; and
- borrowings, loans, deposits and short sales.

#### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, FMM-F is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

FMM-F is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in FMM-F exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, FMM-F may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of FMM-F considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of FMM-F is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments;
- the presence of central counterparties;
- the liquidity of the assets invested in;
- the use of derivative financial instruments;
- interest rate movements; and
- exchange rate movements of non-euro currencies in relation to the euro.

The risk factors listed in this section are not exhaustive.

#### **5. CORPORATE INFORMATION**

Address	DJE Kapital AG, Pullacher Straße 24
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	D-82049 Pullach
Assets under management	EUR566,560,000 as of 18 August 2015
Fund manager	DJE Kapital AG
Fund currency	EUR
Launch Date	17 August 1987
Length of life	Unlimited
Portfolio management location	Germany
Fiscal year end	31 December
Custodian	The Bank of New York Mellon SA/NV Messeturm, Friederich-Ebert-Anlage 49 D-60327 Frankfurt am Main

## 6. ADDRESS OF FUND MANAGER AND REMUNERATION

DJE Kapital AG  
Pullacher Straße 24  
D-82049 Pullach

The remuneration of the fund manager of FMM-F is equal to 1.5% p.a., payable annually and based on the average net assets of the FMM-F Securities.

## 7. STATUTORY AUDITOR

KPMG AG  
The Square, Am Flughafen,  
D-60549 Frankfurt am Main

## 8. FINANCIAL INFORMATION

Financial information in respect of FMM-F may be accessed on <http://www.frankfurt-trust.de>.

## 9. ADDITIONAL INFORMATION

Any additional information in respect of FMM-F may be accessed on <http://www.frankfurt-trust.de>.

## FIRST STATE WORLDWIDE LEADERS FUND A GBP

The fund prospectus (the **First State Fund Prospectus**) of First State Investments ICVC (**First State**) (<http://www.firststateinvestments.com>) contains a detailed description of First State and its sub-fund First State Worldwide Leaders Fund A GBP (**First State WLF**).

### 1. FIRST STATE WORLDWIDE LEADERS FUND A GBP

#### 1.1 ISIN / WKN

ISIN: GB0030978612

WKN: 765892

#### 1.2 Stock Exchange

First State has not taken any steps for the admission to trading of the class “A GBP” shares in First State WLF (the **First State WLF Securities**) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The First State WLF Securities are class A GBP shares in First State WLF. The First State WLF Securities are accumulation shares denominated in GBP that do not entitle the holders to receive payments of income. Any income (net of the tax credit) arising in respect of the First State WLF Securities is automatically accumulated and is reflected in the price of each First State WLF Security. No initial charge is levied on this accumulation.

(b) Description of the market on which the securities are traded.

Please refer to section 1.2.

(c) Frequency of the publication of the price of the securities

The price at which First State WLF Securities will be redeemed will be based on the net asset value per First State WLF Security less any applicable redemption charge. First State WLF Securities are valued from Monday to Friday except for bank holidays in England and Wales and other days at the authorised corporate director’s discretion. The most recent price of the First State WLF Securities will appear on <http://www.firststateinvestments.com> and are also available by calling +44 (0) 800 587 4141.

### 2. INVESTMENT POLICY

First State WLF aims to achieve long-term capital growth.

First State WLF invests primarily in a diverse portfolio of equity securities of larger capitalisation companies which are listed, traded or dealt in on any of the regulated markets worldwide. Larger capitalisation companies are currently defined as companies with a minimum investible market capitalisation (free float) of USD3 billion at the time of investment.

First State WLF is not managed to a benchmark and may have exposure to developed or emerging markets whilst maintaining its geographical diversity.

First State WLF may invest in any industry.

### **3. INVESTMENT RESTRICTIONS**

First State is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where First State is located.

The relevant criteria and restrictions applicable to First State relate to, among others:

- transferable securities and liquid assets;
- UCITS and other UCIs;
- investment spread;
- securities lending;
- cash and near cash;
- derivative instruments; and
- warrants.

### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, First State is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

First State is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in First State exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, First State may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of First State considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of First State WLF is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- the liquidity of the assets invested in;
- failures to perform by counterparties;
- companies in emerging market

- fluctuation of the value of equity investments;
- events occurring in the Eurozone;
- risks relating to liquidity;
- investments in small and mid-sized companies; and
- exchange rate movements.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	30, Cannon Street, London EC4M 6YQ United Kingdom
Assets under management	GBP 36,000,000 as of July 2015
Management company (authorised corporate director)	First State Investments (UK) Limited
Investment manager	First State Investment Management (UK) Limited
Fund currency	GBP
Launch Date	30 July 1999
Length of life	Unlimited
Portfolio management location	United Kingdom
Fiscal year end	31 July
Custodian	State Street Bank and Trust Company 20 Churchill Place London E14 5HJ United Kingdom

## 6. ADDRESS OF MANAGEMENT COMPANY (AUTHORISED CORPORATE DIRECTOR) AND REMUNERATION

First State Investments (UK) Limited  
30 Cannon Street  
London EC4M 6YQ  
United Kingdom

As a payment for carrying out its duties and responsibilities as the authorised corporate director of the Company, the authorised corporate director is entitled to take an annual management charge out of First State WLF. The annual management charge is accrued on a daily basis by reference to the net asset value of First State WLF on the prior dealing day and the amount due for each month is payable on the last working day of the month. The authorised corporate director is also entitled to all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties.



**7. ADDRESS OF INVESTMENT MANAGER AND REMUNERATION**

First State Investment Management (UK) Limited  
23 St. Andrew Square  
Edinburgh EH2 1BB  
United Kingdom

The investment manager's fees and expenses will be paid by the ACD out of its remuneration as described in the section above.

**8. STATUTORY AUDITOR**

PricewaterhouseCoopers LLP  
Erskine House  
68-73 Queen Street  
Edinburgh EH2 4NH  
United Kingdom

**9. FINANCIAL INFORMATION**

Financial information in respect of First State WLF may be accessed on <http://www.firststateinvestments.com>.

**10. ADDITIONAL INFORMATION**

Any additional information in respect of First State WLF may be accessed on <http://www.firststateinvestments.com>.

## **FLOSSBACH VON STORCH - GLOBAL EQUITY – R**

The fund prospectus (the **FvS Fund Prospectus**) of the Flossbach von Storch Fund (**FvS**) (<https://www.fvsag.com/en/investment-funds/equities/flossbach-von-storch---global-equity-r/profile.html>) contains a detailed description of FvS and its subfund FvS – Global Equity (**FvS GE**).

### **1. FLOSSBACH VON STORCH - GLOBAL EQUITY F**

#### **1.1 ISIN / WKN**

ISIN: LU0366178969

WKN: A0Q2PT

#### **1.2 Stock Exchange**

FvS has not taken any step for the admission to trading of the class R units in FvS GE (the **FvS GE Securities**) on any stock exchange.

#### **1.3 Securities**

(a) Description of the securities

The FvS GE Securities are class F units in FvS GE. The FvS GE Securities are units denominated in EUR that entitle the holder to a distribution which will be made at intervals determined from time to time by the management company of FvS.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The price of the FvS GE Securities is based on the net asset value of the FvS GE Securities (less any redemption fee if applicable). The net asset value of the FvS GE Securities is calculated on each banking day in Luxembourg, with the exception of 24 and 31 December of each year. The issue and redemption prices are published on [www.fvsinvest.lu](http://www.fvsinvest.lu) on each stock exchange day.

### **2. INVESTMENT POLICY**

The objective of the investment policy of FvS – Global Equity (“sub-fund”) is to achieve reasonable performance while taking into consideration the risk involved for the investors.

The focus of these investments is on shares in companies that achieve above-average growth, have qualified management, hold a dominant market position and demonstrate a solid financial structure.

Shares in companies are also taken into account if they suggest extraordinary price potential based on specific criteria or situations. Such special situations can occur due to the performance of the market as a whole, an industry or an individual company. This includes promising new issues.

### **3. INVESTMENT RESTRICTIONS**

FvS is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of

UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where FvS is located.

The relevant criteria and restrictions applicable to FvS GE relate to, among others:

- transferable securities and liquid assets;
- UCITS and other UCI;
- derivative instruments;
- short selling;
- investments in emerging markets
- securities lending; and
- regional investment focus.

#### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, FvS GE is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

FvS GE is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in FvS GE exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, FvS GE may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of FvS GE considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of FvS GE is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments, especially but not limited to the development of equities;
- developments in emerging markets;
- the liquidity of the assets invested in;
- the use of derivative financial instruments;
- counterparty risk;
- interest rate movements; and

– exchange rate movements of non-euro currencies in relation to the euro.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	Flossbach von Storch Invest S.A. 6, Avenue Marie-Thérèse L-2132 Luxembourg
Assets under management	EUR259,100,000 as of 19 August 2015
Management company	Flossbach von Storch Invest S.A.
Fund Currency	EUR
Launch Date	19 May 1999
Length of life	unlimited
Portfolio Management Location	Germany
Fiscal year end	30 September
Custodian	DZ PRIVATBANK S.A. 4, rue Thomas Edison L-1445 Luxemburg-Strassen

## 6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION

Flossbach von Storch Invest S.A.  
6, Avenue Marie-Thérèse  
L-2132 Luxembourg

The management company receives a fee for the performance of her duties of up to 1.6% p.a. of the net assets of FvS GE. These fees are calculated and paid in arrears pro rata monthly at the end of the month.

## 7. ADDRESS OF FUND MANAGER REMUNERATION

Flossbach von Storch AG  
Ottoplatz 1  
D-50679 Köln

The fund manager receives a fee for the performance of his duties, from the management fee paid to the management company, of up to 1.5% p.a. of the net assets of FvS GE. These fees are calculated and paid in arrears pro rata on a monthly basis on the last day of the month.

## 8. STATUTORY AUDITOR

Deloitte Audit S.à r.l.  
560, rue de Neudorf  
L-2220 Luxembourg

**9. FINANCIAL INFORMATION**

Financial information in respect of FvS may be accessed on <https://www.fvsag.com>.

**10. ADDITIONAL INFORMATION**

Any additional information in respect of FvS may be accessed on <https://www.fvsag.com>.

## **FRANKLIN GLOBAL SMALL –MID CAP GROWTH FUND A (ACC)**

The fund prospectus (the **Franklin Fund Prospectus**) of Franklin Templeton Investment Funds, *société d'investissement à capital variable (Franklin)* (<http://www.franklintempleton.lu>) contains a detailed description of Franklin and its sub-fund Franklin Global Small-Mid Cap Growth Fund (**GSMCGF**).

### **1. FRANKLIN GLOBAL SMALL MID CAP GROWTH FUND A (ACC)**

#### **1.1 ISIN / WKN**

ISIN: LU0144644332

WKN: 552876

#### **1.2 Stock Exchange**

The A (ACC) shares in GSMCGF (the **GSMCGF Securities**) are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange.

#### **1.3 Securities**

(a) Description of the securities

The GSMCGF Securities are class A (ACC) shares in GSMCGF. The GSMCGF Securities are accumulation shares denominated in USD that do not, as a general rule, entitle the holder to a dividend, but where the net income attributable to a share is accumulated so that it is reflected in the increased value of that share.

(b) Description of the market on which the securities are traded.

Please refer to section 1.2.

(c) Frequency of the publication of the price of the securities

The price at which GSMCGF Securities will be redeemed will be based on the net asset value per GSMCGF Security. The net asset value is made public at the registered office of the Company and is available at the offices of the management company. This information is also available on the Internet site: <http://www.franklintempleton.lu>.

### **2. INVESTMENT POLICY**

GSMCGF seeks to achieve its investment objective by investing principally in equity and/or equity-related securities (including warrants and convertible securities) of small- and mid-cap companies globally. In selecting equity investments, the investment manager employs an active, bottom-up fundamental research process to search for individual securities believed to possess superior risk-return characteristics.

GSMCGF principally invests its net assets in the securities of issuers incorporated or having their principal business activities in any developed country in the world and which have a market capitalisation above USD 100 million and below USD 8 billion or the equivalent in local currencies at the time of purchase. GSMCGF's exposure to various regions and markets varies from time to time according to the investment manager's opinion as to the prevailing conditions and prospects for securities in these markets.

Since the investment objective is more likely to be achieved through an investment policy that is flexible and adaptable, GSMCGF may also seek investment opportunities in other types of transferable securities, which do not fulfil the requirements set out above.

### **3. INVESTMENT RESTRICTIONS**

Franklin is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where Franklin is located.

The relevant criteria and restrictions applicable to Franklin relate to, among others:

- transferable securities and liquid assets;
- UCITS and other UCIs;
- other assets (such as real estate, precious metals, commodities, loans, security agreements);
- securities lending;
- derivative instruments; and
- other local restrictions.

### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, Franklin is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

Franklin is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in Franklin exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, Franklin may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of Franklin considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of GSMCGF is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- convertible securities risk;
- counterparty risk;

- equity risk;
- Eurozone risk;
- foreign currency risk;
- growth stocks risk;
- liquidity risk;
- market risk;
- small- and mid-sized companies risk; and
- warrants risk.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	8A, rue Albert Borschette, L-1246 Luxembourg
Assets under management	USD270,000,000 as of July 2015
Management company	FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.
Investment manager	Franklin Templeton Institutional, LLC
Fund currency	USD
Launch Date	15 April 2002
Length of life	Unlimited
Portfolio management location	United States of America
Fiscal year end	30 June
Custodian	J.P. MORGAN BANK LUXEMBOURG S.A. European Bank & Business Centre 6 route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg

## 6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.  
8A, rue Albert Borschette  
L-1246 Luxembourg  
Grand Duchy of Luxembourg

Franklin Templeton International Services S.à r.l., for performing, as management company, registrar and transfer, corporate, domiciliary and administrative functions for Franklin will receive as remuneration from Franklin an annual fee of up to 0.20% of the net asset value of the relevant share



class, an additional amount (consisting of a fixed and variable component) per investor holding the relevant class level over each period of one year, and a fixed amount per year to cover part of its organisational expenses. Such remuneration will be calculated and accrued daily and will be paid monthly in arrears.

**7. ADDRESS OF INVESTMENT MANAGER AND REMUNERATION**

Franklin Templeton Institutional, LLC  
600 Fifth Avenue  
New York, NY 10020  
USA

The investment manager receives from Franklin a monthly investment management fee equivalent to 1% p.a. of GSMCGF's adjusted daily net assets during the year.

**8. STATUTORY AUDITOR**

PRICEWATERHOUSECOOPERS, Société coopérative  
400, route d'Esch  
B.P. 1443  
L-1014 Luxembourg  
Grand Duchy of Luxembourg

**9. FINANCIAL INFORMATION**

Financial information in respect of GSMCGF may be accessed on <http://www.franklintempleton.lu>.

**10. ADDITIONAL INFORMATION**

Any additional information in respect of GSMCGF may be accessed on <http://www.franklintempleton.lu>.

## FRANKLIN GLOBAL GROWTH AND VALUE FUND A (ACC)

The fund prospectus (the **Franklin Fund Prospectus**) of Franklin Templeton Investment Funds, *société d'investissement à capital variable (Franklin)* (<http://www.franklintempleton.lu>) contains a detailed description of Franklin and its sub-fund Franklin Global Growth and Value Fund (**GGAVF**).

### 1. FRANKLIN GLOBAL GROWTH AND VALUE FUND A (ACC)

#### 1.1 ISIN / WKN

ISIN: LU0152903588

WKN: 749659

#### 1.2 Stock Exchange

The A (ACC) shares in GGAVF (**the GGAVF Securities**) are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange.

#### 1.3 Securities

##### (a) Description of the securities

The GGAVF Securities are class A (ACC) shares in GGAVF. The GGAVF Securities are accumulation shares denominated in USD that do not, as a general rule, entitle the holder to a dividend, but where the net income attributable to a share is accumulated so that it is reflected in the increased value of that share.

##### (b) Description of the market on which the securities are traded.

Please refer to section 1.2.

##### (c) Frequency of the publication of the price of the securities

The price at which GGAVF Securities will be redeemed will be based on the net asset value per GGAVF Security. The net asset value is made public at the registered office of the Company and is available at the offices of the management company. This information is also available on the Internet site: <http://www.franklintempleton.lu>.

### 2. INVESTMENT POLICY

GGAVF's investment objective is capital appreciation. GGAVF invests in equity securities and debt securities convertible or expected to be convertible into common or preferred stocks of companies of any market capitalisation located anywhere in the world, including emerging markets. At least half of GGAVF's net assets without taking into account ancillary liquid assets shall be made in equity securities or similar instruments. GGAVF may also invest in American, European and global depositary receipts. GGAVF invests in both "value" and "growth" stocks and the allocation of net assets to each is monitored and rebalanced regularly.

### 3. INVESTMENT RESTRICTIONS

Franklin is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled "Obligations concerning the investment policies of

UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where Franklin is located.

The relevant criteria and restrictions applicable to Franklin relate to, among others:

- transferable securities and liquid assets;
- UCITS and other UCIs;
- other assets (such as real estate, precious metals, commodities, loans, security agreements);
- securities lending;
- derivative instruments; and
- other local restrictions.

#### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, Franklin is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

Franklin is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in Franklin exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, Franklin may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of Franklin considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of GGAVF is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- convertible securities risk;
- counterparty risk;
- equity risk;
- Eurozone risk;
- foreign currency risk;
- growth stocks risk;
- liquidity risk;

- market risk;
- securities lending risk; and
- value stocks risk.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	8A, rue Albert Borschette, L-1246 Luxembourg
Assets under management	USD68,000,000 as of July 2015
Management company	FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.
Investment manager	FRANKLIN ADVISERS INC.
Fund currency	USD
Launch Date	09 September 2002
Length of life	Unlimited
Portfolio management location	United States of America
Fiscal year end	30 June
Custodian	J.P. MORGAN BANK LUXEMBOURG S.A. European Bank & Business Centre 6 route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg

## 6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.  
8A, rue Albert Borschette  
L-1246 Luxembourg  
Grand Duchy of Luxembourg

Franklin Templeton International Services S.à r.l., for performing, as management company, registrar and transfer, corporate, domiciliary and administrative functions for Franklin will receive as remuneration from Franklin an annual fee of up to 0.20% of the net asset value of the relevant share class, an additional amount (consisting of a fixed and variable component) per investor holding the relevant class level over each period of one year, and a fixed amount per year to cover part of its organisational expenses. Such remuneration will be calculated and accrued daily and will be paid monthly in arrears.

## 7. ADDRESS OF INVESTMENT MANAGER AND REMUNERATION

FRANKLIN ADVISERS INC  
One Franklin Parkway  
San Mateo, CA 94403-1906

USA

The investment manager receives from Franklin a monthly investment management fee equivalent to 1% p.a. of GGAVF's adjusted daily net assets during the year.

**8. STATUTORY AUDITOR**

PRICEWATERHOUSECOOPERS, Société coopérative  
400, route d'Esch  
B.P. 1443  
L-1014 Luxembourg  
Grand Duchy of Luxembourg

**9. FINANCIAL INFORMATION**

Financial information in respect of GGAVF may be accessed on <http://www.franklintempleton.lu>.

**10. ADDITIONAL INFORMATION**

Any additional information in respect of GGAVF may be accessed on <http://www.franklintempleton.lu>.

## FRANKLIN GLOBAL GROWTH AND VALUE FUND N (ACC)

The fund prospectus (the **Franklin Fund Prospectus**) of Franklin Templeton Investment Funds, *société d'investissement à capital variable (Franklin)* (<http://www.franklintempleton.lu>) contains a detailed description of Franklin and its sub-fund Franklin Global Growth and Value Fund (**GGAVF**).

### 1. FRANKLIN GLOBAL GROWTH AND VALUE FUND N (ACC)

#### 1.1 ISIN / WKN

ISIN: LU0152904479  
WKN: 749662

#### 1.2 Stock Exchange

The N (ACC) shares in GGAVF (**the GGAVF Securities**) are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange.

#### 1.3 Securities

##### (a) Description of the securities

The GGAVF Securities are class N (ACC) shares in GGAVF. The GGAVF Securities are accumulation shares denominated in USD that do not, as a general rule, entitle the holder to a dividend, but where the net income attributable to a share is accumulated so that it is reflected in the increased value of that share.

##### (b) Description of the market on which the securities are traded.

Please refer to section 1.2.

##### (c) Frequency of the publication of the price of the securities

The price at which GGAVF Securities will be redeemed will be based on the net asset value per GGAVF Security. The net asset value is made public at the registered office of the Company and is available at the offices of the management company. This information is also available on the Internet site: <http://www.franklintempleton.lu>.

### 2. INVESTMENT POLICY

GGAVF's investment objective is capital appreciation. GGAVF invests in equity securities and debt securities convertible or expected to be convertible into common or preferred stocks of companies of any market capitalisation located anywhere in the world, including emerging markets. At least half of GGAVF's net assets without taking into account ancillary liquid assets shall be made in equity securities or similar instruments. GGAVF may also invest in American, European and global depositary receipts. GGAVF invests in both "value" and "growth" stocks and the allocation of net assets to each is monitored and rebalanced regularly.

### 3. INVESTMENT RESTRICTIONS

Franklin is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled "Obligations concerning the investment policies of

UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where Franklin is located.

The relevant criteria and restrictions applicable to Franklin relate to, among others:

- transferable securities and liquid assets;
- UCITS and other UCIs;
- other assets (such as real estate, precious metals, commodities, loans, security agreements);
- securities lending;
- derivative instruments; and
- other local restrictions.

#### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, Franklin is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

Franklin is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in Franklin exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, Franklin may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of Franklin considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of GGAVF is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- convertible securities risk;
- counterparty risk;
- equity risk;
- Eurozone risk;
- foreign currency risk;
- growth stocks risk;
- liquidity risk;

- market risk;
- securities lending risk; and
- value stocks risk.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	8A, rue Albert Borschette, L-1246 Luxembourg
Assets under management	USD68,000,000 as of June 2015
Management company	FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.
Investment manager	FRANKLIN ADVISERS INC.
Fund currency	USD
Launch Date	09 September 2002
Length of life	Unlimited
Portfolio management location	United States of America
Fiscal year end	30 June
Custodian	J.P. MORGAN BANK LUXEMBOURG S.A. European Bank & Business Centre 6 route de Trèves L-2633 Senningerberg Grand Duchy of Luxembourg

## 6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION

FRANKLIN TEMPLETON INTERNATIONAL SERVICES S.à r.l.  
8A, rue Albert Borschette  
L-1246 Luxembourg  
Grand Duchy of Luxembourg

Franklin Templeton International Services S.à r.l., for performing, as management company, registrar and transfer, corporate, domiciliary and administrative functions for Franklin will receive as remuneration from Franklin an annual fee of up to 0.20% of the net asset value of the relevant share class, an additional amount (consisting of a fixed and variable component) per investor holding the relevant class level over each period of one year, and a fixed amount per year to cover part of its organisational expenses. Such remuneration will be calculated and accrued daily and will be paid monthly in arrears.

## 7. ADDRESS OF INVESTMENT MANAGER AND REMUNERATION

FRANKLIN ADVISERS INC  
One Franklin Parkway  
San Mateo, CA 94403-1906



USA

The investment manager receives from Franklin a monthly investment management fee equivalent to 1% p.a. of GGAVF's adjusted daily net assets during the year.

**8. STATUTORY AUDITOR**

PRICEWATERHOUSECOOPERS, Société coopérative  
400, route d'Esch  
B.P. 1443  
L-1014 Luxembourg  
Grand Duchy of Luxembourg

**9. FINANCIAL INFORMATION**

Financial information in respect of GGAVF may be accessed on <http://www.franklintempleton.lu>.

**10. ADDITIONAL INFORMATION**

Any additional information in respect of GGAVF may be accessed on <http://www.franklintempleton.lu>.

## **JPMORGAN FUNDS - GLOBAL FOCUS FUND A EUR (DIST)**

The fund prospectus (the **JPM Fund Prospectus**) of JPMorgan Funds, *société d'investissement à capital variable* (**JPM**) (<http://www.jpmorganassetmanagement.lu>) contains a detailed description of JPM and its subfund JPMorgan Funds – Global Focus Fund A EUR (dist) (**JPMORGAN GFF**).

### **1. JPMORGAN FUNDS - GLOBAL FOCUS FUND A EUR (DIST)**

#### **1.1 ISIN / WKN**

ISIN: LU0168341575

WKN: 343439

#### **1.2 Stock Exchange**

JPM has not taken any steps for the admission to trading of the class A (dist) shares in JPMORGAN GFF (the **JPMORGAN GFF Securities**) on any stock exchange.

#### **1.3 Securities**

(a) Description of the securities

The JPMORGAN GFF Securities are class A (dist) shares in JPMORGAN GFF. The JPMORGAN GFF Securities are shares that entitle the holder, upon written request, to a dividend which is paid yearly in September (as a general rule).

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The redemption price of the JPMORGAN GFF Securities is based on the net asset value of the JPMORGAN GFF and is made public on each valuation day at the registered office of JPM and is available on <http://www.jpmorganassetmanagement.com>. “Valuation day” means a business day other than a day on which any exchange or market, on which a substantial volume of the investments of JPMORGAN GFF is traded, is closed.

### **2. INVESTMENT POLICY**

The investment objective of JPMORGAN GFF is to provide long-term capital growth by investing primarily in an aggressively managed portfolio of global companies with large, medium and small market capitalisation that the investment manager(s) of JPMORGAN GFF believes to be attractively valued and have significant profit growth or earnings recovery potential.

JPMORGAN GFF aims to identify companies, whose current valuation does not truly reflect their earnings potential, giving unrestricted access to such stocks by investing in any region, sector and company that match JPMORGAN GFF's stock selection criteria.

The companies targeted by JPMORGAN GFF may be based in any country including any threshold countries.

### **3. INVESTMENT RESTRICTIONS**

JPM is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities

(UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where JPM is located.

The relevant criteria and restrictions applicable to JPM relate to, among others:

- transferable securities;
- shares in large, medium and small capitalisation companies;
- money market instruments;
- collective investment schemes;
- shares with voting rights attached;
- cash and debt securities; and
- use of derivatives.

#### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, JPM is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

JPM is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in JPM exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, JPM may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of JPM considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of JPM is generally dependent on the implementation of its investment policy and is influenced in particular by the following risk factors:

- risks inherent to investments in companies with important growth potential;
- currency and exchange rates;
- aggressive portfolio management;
- counterparty risks;
- market risk;
- inflation;

- investments in RMB;
- cancellation risks;
- investment in derivatives;
- liquidity risk;
- emerging markets;
- taxation; and
- concentrated portfolios.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	6, route de Trèves L-2633 Senningerberg
Assets under management	EUR2,051,300,000 as of July 2015
Management company	JPMorgan Asset Management (Europe) S.à r.l.
Investment managers	Please see the JPM Fund Prospectus on page 11 for the list of investment managers
Subfund currency	EUR
Launch Date	23 May 2003
Length of life	Unlimited
Portfolio management location	Depending on the location of the relevant investment manager
Fiscal year end	30 June
Custodian	J.P. Morgan Bank Luxembourg S.A. 6, route de Trèves L-2633 Senningerberg

## 6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION

JPMorgan Asset Management (Europe) S.à r.l.  
6, route de Trèves  
L-2633 Senningerberg

The remuneration of the management company of JPM is based on the net asset value of the JPMORGAN GFF and is equal to (i) a yearly management and investment fee of 1.50% p.a., (ii) an operation fee of 0.40% p.a., (iii) an initial charge of 5.00% p.a. and (iv) redemption charge of 0.50% p.a.

**7. ADDRESS OF INVESTMENT MANAGERS AND REMUNERATION**

Please see the JPM Fund Prospectus on page 11 for the addresses of the investment managers.

The investment managers are entitled, as remuneration for their services rendered to JPM, to obtain a fee from the management company of JPM as provided in the relevant investment management agreements or in an amount otherwise agreed from time to time.

**8. AUDITOR**

PricewaterhouseCoopers Société Coopérative  
400, route d'Esch  
L-1014 Luxembourg

**9. FINANCIAL INFORMATION**

Financial information in respect of JPMORGAN GFF may be accessed on <http://www.jpmorganassetmanagement.com/jpmf>.

**10. ADDITIONAL INFORMATION**

Any additional information in respect of JPMORGAN GFF may be accessed on <http://www.jpmorganassetmanagement.lu>.

## LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST

The fund prospectus (the **LINGOHR Fund Prospectus**) of LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST (**LINGOHR**) (<http://www.lbb-invest.de>) contains a detailed description of LINGOHR.

### 1. LINGOHR-ASIEN-SYSTEMATIC-LBB-INVEST

#### 1.1 ISIN / WKN

ISIN: DE0008479387

WKN: 847938

#### 1.2 Stock Exchange

LINGOHR has not taken any steps for the admission to trading of the units in LINGOHR (the **LINGOHR Securities**) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The LINGOHR Securities are units in LINGOHR. The LINGOHR Securities are units denominated in EUR that entitle the holder to a dividend which is paid yearly within four months after the end of the fiscal year.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The redemption price of the LINGOHR Securities is regularly published on <http://www.lbb-invest.de>.

### 2. INVESTMENT POLICY

The investment policy of LINGOHR is to achieve capital gains over the long term.

LINGOHR directly or indirectly invests according to the principle of risk diversification. LINGOHR shall only invest in assets that are expected to generate any yield and/or growth.

The investments of LINGOHR may target corporates or other issuers with registered office in Asia or Australia and Asiatic or Australian Members States of the OECD.

### 3. INVESTMENT RESTRICTIONS

LINGOHR is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where LINGOHR is located.

The relevant criteria and restrictions applicable to LINGOHR relate to, among others:

- transferable securities and money market instruments;

- UCITS and other UCIs;
- securities lending;
- effective portfolio management instruments and techniques;
- security interests;
- derivative financial instruments; and
- borrowings, loans, deposits and short sales.

#### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, LINGOHR is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

LINGOHR is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in LINGOHR exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, LINGOHR may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of LINGOHR considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of LINGOHR is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments;
- the presence of central counterparties;
- changes in the investment policy or the investment conditions of LINGOHR;
- the liquidity of the assets invested in;
- the use of derivative financial instruments;
- interest rate movements; and
- exchange rate movements of non-euro currencies in relation to the euro.

The risk factors listed in this section are not exhaustive.

#### **5. CORPORATE INFORMATION**

Address	Landesbank Berlin Investment GmbH Kurfürstendamm 201 D-10719 Berlin
Assets under management	EUR31,620,000 as of July 2015
Investment adviser	Lingohr & Partner Asset Management GmbH D-40699 Erkrath
Fund currency	EUR
Launch Date	21 April 1992
Length of life	Unlimited
Portfolio management location	Germany
Fiscal year end	31 March
Custodian	Landesbank Berlin AG Alexanderplatz 2 D-10178 Berlin

#### **6. ADDRESS OF FUND MANAGER AND REMUNERATION**

Landesbank Berlin Investment GmbH  
Kurfürstendamm 201  
D-10719 Berlin

The remuneration of the fund manager of LINGOHR is up to 2% p.a. (currently 1.65% p.a.), payable annually and based on the average net assets of the LINGOHR Securities.

#### **7. STATUTORY AUDITOR**

PwC AG  
Lise-Meitner-Str. 1  
D-10589 Berlin

#### **8. FINANCIAL INFORMATION**

Financial information in respect of LINGOHR may be accessed on <http://www.lbb-invest.de>.

#### **9. ADDITIONAL INFORMATION**

Any additional information in respect of LINGOHR may be accessed on <http://www.lbb-invest.de>.



## LONG TERM INVESTMENT FUND (SIA) – CLASSIC (EUR)

The fund prospectus (the **LTIF Fund Prospectus**) of LONG TERM INVESTMENT FUND (SIA), *Société d'investissement à capital variable (LTIF)* ([http://www.s-i-a.ch/SIA/funds\\_reportfunds.php?LangID=1&FundID=21](http://www.s-i-a.ch/SIA/funds_reportfunds.php?LangID=1&FundID=21)) contains a detailed description of LTIF and its sub-fund Long Term Investment Fund (SIA) – Classic (**LTIFC**).

### 1. LONG TERM INVESTMENT FUND (SIA) – CLASSIC (EUR)

#### 1.1 ISIN / WKN

ISIN: LU0244071956

WKN: A0JD7E

#### 1.2 Stock Exchange

LTIF has not taken any step for the admission to trading of the class “Classic EUR” shares in LTIFC Classic (the **LTIFC Securities**) on any stock exchange.

#### 1.3 Securities

##### (a) Description of the securities

The LTIFC Securities are class “Classic EUR” shares in LTIFC. The LTIFC Securities are accumulation shares denominated in EUR that do not entitle the holder to a dividend, but where the net income attributable to a share is accumulated and reinvested.

##### (b) Description of the market on which the securities are traded.

N/A

##### (c) Frequency of the publication of the price of the securities

The redemption price of the LTIFC Securities is equal to its net asset value. The net asset value of the LTIFC Securities is calculated daily and made public at the offices of the custodian of LTIF.

### 2. INVESTMENT POLICY

LTIFC will mainly invest in equity and equity related securities (including convertible bonds) issued by companies worldwide.

### 3. INVESTMENT RESTRICTIONS

LTIF is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where LTIF is located.

The relevant criteria and restrictions applicable to LTIFC relate to, among others:

- transferable securities and money market instruments;
- UCITS and other UCIs;

- effective portfolio management instruments and techniques;
- derivative financial instruments;
- encumbrances; and
- borrowings, loans, deposits and short sales.

#### 4. PRINCIPAL RISK FACTORS

Due to the composition and the techniques applied by its fund management, LTIFC is subject to volatility, which means that the price per share may be subject to considerable downward or upward fluctuation, even within short periods of time.

LTIFC is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in LTIFC exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, LTIFC may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of LTIFC considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of LTIFC is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- developments in emerging markets;
- market and settlement risk
- the liquidity of the assets invested in;
- investments in warrants;
- custody risk;
- the use of derivative financial instruments;
- interest rate movements; and
- exchange rate movements.

The risk factors listed in this section are not exhaustive.

#### 5. CORPORATE INFORMATION

Address	LONG TERM INVESTMENT FUND (SIA) 15, avenue J.F. Kennedy L-1855 Luxembourg
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Assets under management	EUR189,000,000 as of July 2015
Management company	FundPartner Solutions (Europe) S.A.
Investment manager	SIA Funds AG
Fund currency	EUR
Launch date	14 January 2002
Length of life	Unlimited
Portfolio management location	Luxembourg
Fiscal year end	31 December
Custodian	Pictet & Cie (Europe) S.A. 15 avenue J.F. Kennedy L-1855 Luxembourg

#### **6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION**

FundPartner Solutions (Europe) S.A.  
15, avenue J.F. Kennedy  
L-1855 Luxembourg

The management company is remunerated in accordance with customary practice in Luxembourg up to 0.50% p.a., payable quarterly and based on the average net assets of the LTIFC Securities.

#### **7. ADDRESS OF INVESTMENT MANAGER AND REMUNERATION**

SIA Funds AG  
Parkweg 1  
8886 Ziegelbrücke  
Switzerland

The remuneration of the investment manager of LTIFC is equal to 1.50% p.a., payable quarterly and based on the average net assets of the LTIFC Securities.

#### **8. STATUTORY AUDITOR**

Deloitte Audit S.à r.l  
560 route de Neudorf  
L-2220 Luxembourg

#### **9. FINANCIAL INFORMATION**

Financial information in respect of LTIF may be accessed on <http://www.s-i-a.ch>.

#### **10. ADDITIONAL INFORMATION**

Any additional information in respect of LTIF may be accessed on <http://www.s-i-a.ch>.

## LOYS SICAV – LOYS GLOBAL P

The fund prospectus (the **LOYS Fund Prospectus**) of LOYS Sicav (**LOYS**) (<http://www.alceda.lu>) contains a detailed description of LOYS and its sub-fund LOYS Sicav- LOYS Global (**LOYS Global**).

### 1. LOYS SICAV – LOYS GLOBAL P

#### 1.1 ISIN / WKN

ISIN: LU0107944042

WKN: 926229

#### 1.2 Stock Exchange

LOYS has not taken any step for the admission to trading of the class P shares in LOYS Global (the LOYS Securities) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The LOYS LG Securities are class P shares in LOYS Global. The LOYS Securities are shares denominated in EUR that entitle the holder to a dividend which is paid yearly within three months after the end of the fiscal year.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The price of the Loys Securities is based on the net asset value of the Loys Securities which is calculated on each Luxembourg business day and published on [www.alceda.lu](http://www.alceda.lu).

### 2. INVESTMENT POLICY

Loys Global aims at investing in international securities in accordance with the principle of risk diversification. Loys Global's investment objective is to generate an adequate income and to achieve the highest possible long-term capital growth.

### 3. INVESTMENT RESTRICTIONS

LOYS is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled "Obligations concerning the investment policies of UCITS" of Directive 2009/65/EC, as implemented by the national law of the Member State where LOYS is located.

The relevant criteria and restrictions applicable to LOYS Global relate to, among others:

- transferable securities and money market instruments;
- UCITS and other UCIs;
- effective portfolio management instruments and techniques;

- derivative financial instruments; and
- borrowings, loans, deposits and short sales.

#### 4. PRINCIPAL RISK FACTORS

Due to the composition and the techniques applied by its fund management, LOYS Global is subject to volatility, which means that the price per share may be subject to considerable downward or upward fluctuation, even within short periods of time.

LOYS Global is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in LOYS Global exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, LOYS Global may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of LOYS Global considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of LOYS Global is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments; especially but not limited to the development of equities;
- developments in emerging markets;
- the liquidity of the assets invested in;
- the use of derivative financial instruments;
- interest rate movements; and
- exchange rate movements of non-euro currencies in relation to the euro.

The risk factors listed in this section are not exhaustive.

#### 5. CORPORATE INFORMATION

Address	Alceda Fund Management S.A. 5, Heienhaff L-1736 Senningerberg5
Assets under management	EUR428,700,000 as of 19 August 2015
Management company	Alceda Fund Management S.A.
Fund manager	LOYS AG

Fund currency	EUR
Launch date	21 February 2000
Length of life	unlimited
Portfolio management location	Luxembourg
Fiscal year end	31 December
Custodian	M.M. Warburg & CO Luxembourg S.A. 2, Place Francois – Joseph Dargent L-1413 Luxembourg

## 6. ADDRESS OF THE MANAGEMENT COMPANY AND REMUNERATION

Alceda Fund Management S.A.  
5, Heienhaff  
L-1736 Senningerberg

For the management of LOYS Global the management company receives a fee in the amount of 0.12% p.a. based on the average net asset value of LOYS Global.

## 7. ADDRESS OF FUND MANAGER AND REMUNERATION

LOYS AG  
Alte Amalienstraße 30  
D- 26135 Oldenburg

The remuneration of the fund manager consists in an advisory fee of max 0.80% p.a. and a performance-based advisory fee of up to 10% p.a. of the return achieved by LOYS Global above the reference value (MSCI World Total Return NET Index (EUR)).

## 8. STATUTORY AUDITOR

PriceWaterhouseCoopers (PwC), Société Coopérative  
400, Route d'Esch  
L-1471 Luxembourg

## 9. FINANCIAL INFORMATION

Financial information in respect of LOYS may be accessed on <http://www.loys.de>.

## 10. ADDITIONAL INFORMATION

Any additional information in respect of LOYS may be accessed on <http://www.loys.de>.

## M&G GLOBAL BASICS FUND A

The fund prospectus (the **M&G1 Fund Prospectus**) of M&G Investment Funds (1) (**M&G1**) (<http://www.mandg.lu>) contains a detailed description of M&G1 and its sub-fund M&G Global Basics Fund (**M&G GBF**).

### 1. M&G GLOBAL BASICS FUND A

#### 1.1 ISIN / WKN

ISIN: GB0030932676

WKN: 797735

#### 1.2 Stock Exchange

M&G1 has not taken any steps for the admission to trading of the A shares in M&G GBF (the **GBF Securities**) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The GBF Securities are Euro Class A Net Accumulation shares in M&G GBF. The GBF Securities are accumulation shares denominated in EUR. The GBF Securities are shares in respect of which income allocated to them is credited periodically to the capital.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The price of a GBF Security is calculated by reference to its net asset value adjusted to reduce any dilutive effect of dealing in M&G GBF before any applicable redemption charge. The valuation point for GBF Securities is 12.00 noon UK time from Monday to Friday except for bank holidays in England and Wales and other days at the authorised corporate director's discretion.

### 2. INVESTMENT POLICY

M&G GBF is a global equity fund which invests wholly or mainly in companies operating in basic industries ('primary' and 'secondary' industries) and also in companies that service these industries. M&G GBF may also invest in other global equities. The sole aim of M&G GBF is long term capital growth.

M&G GBF invests in companies considered to be the 'building blocks' of the world's economy. A key aspect to the stock selection process involves the assessment of structural trends in the global economy and the identification of those companies that are positioned to benefit. This approach is illustrated by the M&G GBF's curve of economic development' concept, which represents the changing needs of an economy at different stages of development. As the structural shift in economic power towards emerging markets continues to build momentum, the rising incomes and increasingly sophisticated demands of the consumer combine to create an emerging middle class. As nations 'move up the curve', basic demands for food and shelter are accompanied by increasing appetite for additional goods and services. M&G GBF can gain exposure to such themes by investing in best-in-class international companies with a durable competitive advantage that enables them to capitalise on such trends through their global operations. Given M&G GBF's unconstrained mandate, the fund manager has the flexibility to move up and down the curve of economic

development, based on where he thinks the opportunity and valuation levels are most attractive. This includes examining a company's asset base, competitive position, business model, financial strength and management ability.

### **3. INVESTMENT RESTRICTIONS**

M&G1 is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled "Obligations concerning the investment policies of UCITS" of Directive 2009/65/EC, as implemented by the national law of the Member State where M&G1 is located.

The relevant criteria and restrictions applicable to M&G1 relate to, among others:

- transferable securities;
- approved money market instruments;
- collective investment schemes;
- investment in deposits;
- use of derivatives; and
- stocklending.

### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, M&G1 is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

M&G1 is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in M&G1 exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, M&G1 may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of M&G1 considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of M&G1 is generally dependent on the implementation of its investment policy and is influenced in particular by the following risk factors:

- currency and exchange rates;
- counterparty risks;
- liabilities of M&G1;



- suspension of dealings in shares;
- inflation;
- taxation;
- cancellation risks;
- investment in derivatives;
- hedged share classes;
- liquidity risk;
- emerging markets;
- concentrated portfolios; and
- Eurozone.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	M&G Securities Limited Laurence Pountney Hill London EC4R 0HH
Assets under management	EUR3,064,030,000 as of July 2015
Fund manager (Authorised Corporate Director)	M&G Securities Limited
Investment manager	M&G Investment Management Limited
Fund currency	EUR
Launch Date	1 November 2001
Length of life	Unlimited
Portfolio management location	United Kingdom
Fiscal year end	31 August
Custodian	State Street Bank and Trust Company 20 Churchill Place Canary Wharf London E14 5HJ

## 6. ADDRESS OF AUTHORISED CORPORATE DIRECTOR (ACD) AND REMUNERATION

M&G Securities Limited  
Laurence Pountney Hill  
London EC4R 0HH  
(the **ACD**)

In payment for carrying out its duties and responsibilities the ACD is entitled to deduct an annual fee from each share class in each sub-fund. The charge is based on a percentage p.a. of the net asset value of the sub-fund attributable to each share class, calculated on a mid-market basis. The annual fee accrues daily and is calculated on the daily net asset value and payable fortnightly in arrears. The ACD is also entitled to reimbursement of all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties, including stamp duty and stamp duty reserve tax on transactions in shares. The ACD is entitled to charge fees for administrative and registration services to M&G1.

**7. ADDRESS OF INVESTMENT MANAGER AND REMUNERATION**

M&G Investment Management Limited  
Laurence Pountney Hill  
London EC4R 0HH

The investment manager's fees and expenses (plus value added tax thereon where applicable) will be paid by the ACD out of its remuneration as described in the section above.

**8. AUDITOR**

PricewaterhouseCoopers LLP  
7 More London Riverside  
London  
SE1 2RT

**9. FINANCIAL INFORMATION**

Financial information in respect of M&G GBF may be accessed on <http://www.mandg.lu>.

**10. ADDITIONAL INFORMATION**

Any additional information in respect of M&G GBF may be accessed on <http://www.mandg.lu>.

## **M&G GLOBAL LEADERS FUND A**

The fund prospectus (the **M&G1 Fund Prospectus**) of M&G Investment Funds (1) (**M&G1**) (<http://www.mandg.lu>) contains a detailed description of M&G1 and its sub-fund M&G Global Leaders Fund (**M&G GLF**).

### **1. M&G GLOBAL LEADERS FUND A EUR**

#### **1.1 ISIN / WKN**

ISIN: GB0030934490  
WKN: 797739

#### **1.2 STOCK EXCHANGE**

M&G1 has not taken any steps for the admission to trading of the A (Acc) shares in M&G GLF (the **GLF Securities**) on any stock exchange.

#### **1.3 SECURITIES**

(a) Description of the securities

The GLF Securities are Euro Class A Net Accumulation shares in M&G GLF. The GLF Securities are accumulation shares denominated in EUR. The GLF Securities are shares in respect of which income allocated to them is credited periodically to the capital.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The price of a GLF Security is calculated by reference to its net asset value adjusted to reduce any dilutive effect of dealing in M&G GLF before any applicable redemption charge. The valuation point for GLF Securities is 12.00 noon UK time from Monday to Friday except for bank holidays in England and Wales and other days at the authorised corporate director's discretion.

### **2. INVESTMENT POLICY**

The objective of M&G GLF is to maximise long term total return (the combination of income and growth of capital). M&G GLF invests in a wide range of global equities issued by companies that the fund manager considers to be, or have the potential to be, leading in their field in terms of improving shareholder value.

M&G GLF has a clear investment strategy – to invest in companies which are undertaking positive internal changes that have not yet been recognised by the wider market. There is no reference to a benchmark in the stock selection process. The key test is the fund manager's conviction over each company's prospects of long-term success. His judgement is based on two key factors: the company's valuation and the ability of its management to deliver the appropriate corporate strategy. After making his selections, the fund manager employs a risk management process to ensure that the portfolio is properly diversified.

### **3. INVESTMENT RESTRICTIONS**

M&G1 is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities

(UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where M&G1 is located.

The relevant criteria and restrictions applicable to M&G1 relate to, among others:

- transferable securities;
- approved money market instruments;
- collective investment schemes;
- investment in deposits;
- use of derivatives; and
- stocklending.

#### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, M&G1 is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

M&G1 is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in M&G1 exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, M&G1 may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of M&G1 considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of M&G1 is generally dependent on the implementation of its investment policy and is influenced in particular by the following risk factors:

- currency and exchange rates;
- counterparty risks;
- liabilities of M&G1;
- suspension of dealings in shares;
- inflation;
- taxation;
- cancellation risks;

- investment in derivatives;
- hedged share classes;
- liquidity risk;
- emerging markets;
- concentrated portfolios; and
- Eurozone.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	M&G Securities Limited Laurence Pountney Hill London EC4R 0HH
Assets under management	EUR1,109,690,000 as of July 2015
Fund manager (authorised corporate director)	M&G Securities Limited
Investment manager	M&G Investment Management Limited
Fund currency	EUR
Launch Date	1 November 2001
Length of life	Unlimited
Portfolio management location	United Kingdom
Fiscal year end	31 August
Custodian	State Street Bank and Trust Company 20 Churchill Place Canary Wharf London E14 5HJ

## 6. ADDRESS OF AUTHORISED CORPORATE DIRECTOR AND REMUNERATION

M&G Securities Limited  
Laurence Pountney Hill  
London EC4R 0HH  
(the **ACD**)

In payment for carrying out its duties and responsibilities the ACD is entitled to deduct an annual fee from the GLF Securities. The charge is based on a percentage p.a. of the net asset value of M&G GLF attributable to the GLF Securities, calculated on a mid-market basis. The annual fee accrues daily and is calculated on the daily net asset value and payable fortnightly in arrears. The ACD is also entitled to reimbursement of all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties, including stamp duty and stamp duty reserve tax on transactions in shares. The ACD is entitled to charge fees for administrative and registration services to M&G1.

**7. ADDRESS OF INVESTMENT MANAGER AND REMUNERATION**

M&G Investment Management Limited  
Laurence Pountney Hill  
London EC4R 0HH

The investment manager's fees and expenses (plus value added tax thereon where applicable) will be paid by the ACD out of its remuneration as described in the section above.

**8. AUDITOR**

PricewaterhouseCoopers LLP  
7 More London Riverside  
London  
SE1 2RT

**9. FINANCIAL INFORMATION**

Financial information in respect of M&G GLF may be accessed on <http://www.mandg.lu>.

**10. ADDITIONAL INFORMATION**

Any additional information in respect of M&G GLF may be accessed on <http://www.mandg.lu>.

## **MFS MERIDIAN FUNDS – GLOBAL EQUITY (A1 EUR)**

The fund prospectus (the **MFS Fund Prospectus**) of MFS Meridian Funds, *Société d'investissement à capital variable (MFS)* (<https://www.mfs.com>) contains a detailed description of MFS and its sub-fund MFS Meridian Funds – Global Equity Fund (**MFSGE**).

### **1. MFS MERIDIAN FUNDS – GLOBAL EQUITY FUND (A1 EUR)**

#### **1.1 ISIN / WKN**

ISIN: LU0094560744  
WKN: 989632

#### **1.2 Stock Exchange**

The class A1 EUR shares of MFSGE (the **MFS Securities**) are admitted to trading on the market of the Luxembourg Stock Exchange named “BdL Market” and listed on the Official List of the Luxembourg Stock Exchange.

#### **1.3 Securities**

(a) Description of the securities

The MFS Securities are class A1 EUR shares in MFSGE. The MFS Securities are roll-up shares denominated in EUR that do not entitle the holder to a dividend, but where the net income attributable to a share is accumulated so that it is reflected in the increased value of that share.

(b) Description of the market on which the securities are traded.

The BdL Market operated by the Luxembourg Stock Exchange is a regulated market pursuant to the provisions of Directive 2004/39/EC, as amended (the “Markets in Financial Instruments Directive”).

(c) Frequency of the publication of the price of the securities

The net asset value of the MFS Securities and the issue and redemption prices will be available at all times at the MFS’s and its custodian’s respective registered. MFS may in its discretion and as required by local law publish information about the net asset value of the MFS Securities on [www.mfs.com](http://www.mfs.com).

### **2. INVESTMENT POLICY**

MFSGE’s objective is capital appreciation, measured in US. dollars. MFSGE invests primarily (at least 70%) in equity securities of companies located in developed and emerging market countries. MFSGE may invest in companies it believes to have above average earnings growth potential compared to other companies (“growth companies”), in companies it believes to be undervalued compared to their perceived worth (“value companies”) or in a combination of growth and value companies. MFSGE generally focuses its investments in larger companies, but may invest in companies of any size.

### **3. INVESTMENT RESTRICTIONS**

MFS is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of

UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where MFS is located.

The relevant criteria and restrictions applicable to MFSGE relate to, among others:

- transferable securities and money market instruments;
- UCITS and other UCIs;
- derivative financial instruments; and
- borrowings, loans and deposits.

#### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, MFSGE is subject to volatility, which means that the price per share may be subject to considerable downward or upward fluctuation, even within short periods of time.

MFSGE is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in MFSGE exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, MFSGE may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of MFSGE considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of MFSGE is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments;
- exposure to emerging markets;
- geographic concentration of investments;
- the liquidity of the assets invested in;
- the use of derivative financial instruments;
- credit risk;
- interest rate movements; and
- exchange rate movements.

The risk factors listed in this section are not exhaustive.



## 5. CORPORATE INFORMATION

Address	MFS Meridian Funds 19, rue Bitbourg L-1273 Luxembourg
Assets under management	EUR5,468,300,000 as of July 2015
Investment manager	Massachusetts Financial Services Company
Fund currency	USD
Launch date	12 March 1999
Length of life	Unlimited
Portfolio management location	New York
Fiscal year end	31 January
Custodian	State Street Bank Luxembourg S.A. 49, avenue J.F. Kennedy L-1855 Luxembourg

## 6. ADDRESS OF INVESTMENT MANAGER AND REMUNERATION

Massachusetts Financial Services Company  
111 Huntington Avenue  
Boston, Massachusetts USA 02119

The remuneration of the investment manager of MFSGE consists in a management fee of currently 1.05% p.a., accrued daily and paid monthly and based on the average daily net assets of the MFS Securities.

## 7. STATUTORY AUDITOR

Ernst & Young S.A.  
7, Parc d'activité Syrdall  
L-5365 Munsbach  
Grand Duchy of Luxembourg

## 8. FINANCIAL INFORMATION

Financial information in respect of MFS may be accessed on <https://www.mfs.com>.

## 9. ADDITIONAL INFORMATION

Any additional information in respect of MFS may be accessed on <https://www.mfs.com>.

## SARASIN EQUISAR – GLOBAL (P EUR DIST.)

The fund prospectus (the **Sarasin Fund Prospectus**) of SARASIN INVESTMENTFONDS, *Société d'investissement à capital variable (Sarasin)* (<http://www.sarasin.ch/funds>) contains a detailed description of Sarasin and its sub-fund Sarasin Equisar – Global (P Eur dist.) (**Sarasin EG**).

### 1. SARASIN EQUISAR – GLOBAL (P EUR DIST.)

#### 1.1 ISIN / WKN

ISIN: LU0088812606

WKN: 988087

#### 1.2 Stock Exchange

Sarasin has not taken any step for the admission to trading of the class P EUR dist. shares in Sarasin EG (the **Sarasin Securities**) on any stock exchange.

#### 1.3 Securities

##### (a) Description of the securities

The Sarasin Securities are class P EUR dist. in Sarasin EG. The Sarasin Securities are shares denominated in EUR, offered to all investors, that entitle the holder to a dividend which is paid yearly within three months after the end of the fiscal year.

##### (b) Description of the market on which the securities are traded.

N/A

##### (c) Frequency of the publication of the price of the securities

The price to be paid in respect of the Sarasin Securities submitted for redemption will be the net asset value per Sarasin Security on the valuation day, less a fee in favour of the Sarasin GE of up to 0.4%. The net asset value of the Sarasin Securities is determined on each Luxembourg banking day and disclosed on <http://www.sarasin.ch/funds>.

### 2. INVESTMENT POLICY

The bulk of equity investments are concentrated in liquid companies with a market capitalisation in excess of EUR 1 billion. There is no specification as to the geographic diversification of investments. Investments are allocated to the markets and sectors that are considered to provide the most attractive total return in the long term.

### 3. INVESTMENT RESTRICTIONS

Sarasin is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where Sarasin is located.

The relevant criteria and restrictions applicable to Sarasin GE relate to, among others:

- equity securities and liquid assets;

- debt securities and money market instruments;
- UCITS and other UCIs;
- convertible bonds or bonds with warrants;
- fixed income instruments;
- securities lending; and
- derivative instruments.

#### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, Sarasin GE is subject to volatility, which means that the price per share may be subject to considerable downward or upward fluctuation, even within short periods of time.

Sarasin GE is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in Sarasin GE exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, Sarasin GE may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of Sarasin GE considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of Sarasin GE is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments;
- developments in emerging markets;
- the liquidity of the assets invested in;
- credit and counterparty risk;
- the use of derivative financial instruments;
- interest rate movements; and
- exchange rate and currency risk.

The risk factors listed in this section are not exhaustive.

#### **5. CORPORATE INFORMATION**

Address	11-13, boulevard de la Foire L-1528 Luxembourg
Assets under management	EUR230,740,000 as of July 2015
Management company	Sarasin Fund Management (Luxembourg) S.A.
Investment manager	Sarasin & Partners LLP
Fund currency	EUR
Launch date	1 July 1998
Length of life	Unlimited
Portfolio management location	United Kingdom
Fiscal year end	30 June
Custodian	RBC Investor Services Bank S.A. 14, Porte de France L-4360 Esch-sur-Alzette

#### **6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION**

Sarasin Fund Management (Luxembourg) S.A.  
11-13, boulevard de la Foire  
L-1528 Luxembourg

The remuneration of the management company of Sarasin GE is equal to 1.50% p.a., a service charge of up to 0.25% p.a., and a performance fee payable quarterly in areas and based on the average net assets of the Sarasin Securities.

#### **7. ADDRESS OF INVESTMENT MANAGER AND REMUNERATION**

Sarasin & Partners LLP  
100 St Paul's Churchyard  
London EC4M 8BU

The remuneration of the investment manager of Sarasin GE is paid by the management company of Sarasin GE.

#### **8. STATUTORY AUDITOR**

Deloitte Audit  
560 Rue de Neudorf  
L-2220 Luxembourg

#### **9. FINANCIAL INFORMATION**

Financial information in respect of Sarasin may be accessed on <http://www.sarasin.co.uk>.

#### **10. ADDITIONAL INFORMATION**

Any additional information in respect of Sarasin may be accessed on <http://www.sarasin.co.uk>.

## SSGA CANADA INDEX EQUITY FUND P - CAD

The fund prospectus (the **SSgA Fund Prospectus**) of State Street Global Advisors Index Funds (**SSgA**) (<http://www.ssga.com>) contains a detailed description of SSgA and its sub-fund SSgA Canada Index Equity Fund (**SSgA Canada**).

### 1. SSGA CANADA INDEX EQUITY FUND P - CAD

#### 1.1 ISIN / WKN

ISIN: FR0000018095

WKN: 588755

#### 1.2 Stock Exchange

SSgA has not taken any steps for the admission to trading of the P shares in SSgA Canada (the **SSgA Canada Securities**) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The SSgA Securities are class P shares in SSgA Canada. The SSgA Securities are accumulation shares denominated in CAD that do not, as a general rule, entitle the holder to a dividend, but where the amount to be distributed is accumulated in SSgA Canada.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The net asset value is established daily, except on Saturdays, Sundays and official public holidays in France and/or Canada and days when the stock markets in Paris and/or Montreal are closed. The net asset value is available daily on the internet at [www.ssga.com](http://www.ssga.com), on Bloomberg, <BALCANI FP>, on Reuters <001809.FRF>, Reuters State Street Banque page <SSBQE> or from the fund manager on +33 1 44 45 40 00.

Redemptions may be made in cash and/or by contribution of transferable securities. The exit price is that resulting from the next net asset value per share, calculated on the basis of the day's closing prices. When SSgA Canada's net assets are less than the amount fixed by regulations, no shares or fractions of shares can be redeemed.

### 2. INVESTMENT POLICY

The investment objective of SSgA Canada is to seek to obtain a performance equal to the performance of the MSCI (Morgan Stanley Capital International) Canada Index, however it develops.

The aim of the management strategy is to ensure that the tracking error between the change in net asset value and the index (measured by tracking error) is as small as possible and lower than 1%.

Benchmark index: MSCI Canada, the replication sought is close to 1.0.

- The MSCI Canada represents all the shares listed in Canada.

- Currency: Canadian dollar
- Exchange rates applied: Closing.
- Reinvestment of net dividends.
- Geographical reference zone: Canada
- Type of index: Equities.
- The composition of the reference index may contain securities that account for more than 10% of the total.
- Detailed information on the underlying components of the benchmark index is available on the website <http://www.msci.com/products/indices/licensing/constituents.html>.

The fund manager uses the investment method or methods deemed best suited to attaining the investment objectives. The management strategy employs the pure physical replication method that consists of purchasing all the securities that make up the benchmark index in proportion to their respective weightings. The structure of the portfolio is therefore very close to that of the benchmark. In well-defined circumstances, the Fund may purchase securities that are not included in the Index.

### **3. INVESTMENT RESTRICTIONS**

SSgA is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where SSgA is located.

As an index-based UCITS, SSgA may make use of the waivers specified by Article R 214-22 of the French Monetary and Financial Code, relating to the investment limits in financial instruments of a single issuer. SSgA may invest up to 20% of its assets in shares or debt securities of the same issuer, and this limit can be raised to 35% for a single issuer when it is deemed justified by exceptional market conditions, in particular on regulated markets in which certain securities or money market instruments are predominant. Depending on regulatory or market constraints, SSgA may deem it necessary to utilise an optimisation strategy to build a representative portfolio. Consequently, SSgA will generally only hold a sub-set of securities included in the index.

The relevant criteria and restrictions applicable to SSgA Canada relate to, among others:

- Canadian equities;
- debt securities and money market instruments;
- mutual fund units;
- investment in deposits;
- derivatives; and
- securities lending.

#### 4. PRINCIPAL RISK FACTORS

Due to the composition and the techniques applied by its fund management, SSgA Canada is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

SSgA Canada is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in SSgA Canada exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

The performance of SSgA Canada is generally dependent on the implementation of its investment policy and is influenced in particular by the following risk factors:

- achievement of the management objectives;
- change in the weightings of the benchmark index;
- costs and expenses;
- tracking of the index performance;
- market disruption;
- liquidity;
- tracking errors;
- credit and counterparties;
- securities lending;
- currency exchange; and
- derivatives.

The risk factors listed in this section are not exhaustive.

#### 5. CORPORATE INFORMATION

Address	Défense Plaza, 23-25 rue Delarivière-Lefoullon, 92064 Paris La Défense Cedex
Assets under management	CAD223,290,000 as of July 2015
Fund manager	State Street Global Advisors France
Fund currency	CAD

Launch Date	30 April 1997
Length of life	99-year term until 25 July 2099
Portfolio management location	France
Fiscal year end	31 December
Custodian	State Street Banque S.A. Défense Plaza 23-25 rue Delarivière-Lefoullon 92064 Paris La Défense Cedex

## 6. ADDRESS OF FUND MANAGER AND REMUNERATION

State Street Global Advisors France.  
Défense Plaza  
23-25 rue Delarivière-Lefoullon  
92064 Paris La Défense Cedex

SSgA Canada will be invoiced for the P shares management fees at a tax-inclusive maximum rate of 0.70%. A transfer fee of EUR100 will apply on a per transaction basis. For further information on risk factors relating to an investment in SSgA Canada please see the SSgA Fund Prospectus, and in particular pages 33 and 34.

## 7. STATUTORY AUDITOR

Ernst & Young Audit  
Tour Ernst & Young  
Faubourg de l'Arche  
92037 Paris-La Défense, France

## 8. FINANCIAL INFORMATION

Financial information in respect of SSgA may be accessed on <http://www.ssga.com>.

## 9. ADDITIONAL INFORMATION

Any additional information in respect of SSgA may be accessed on <http://www.ssga.com>.



## SSGA SINGAPORE INDEX EQUITY FUND P – (SGD)

The fund prospectus (the **SSgA Fund Prospectus**) of State Street Global Advisors Index Funds (SSgA) (<http://www.ssga.com>) contains a detailed description of SSgA and its sub-fund SSgA Singapore Index Equity Fund (**SSgA Singapore**).

### 1. SSGA SINGAPORE INDEX EQUITY FUND P (SGD)

#### 1.1 ISIN / WKN

ISIN: FR0000018426

WKN: 588797

#### 1.2 Stock Exchange

SSgA has not taken any steps for the admission to trading of the P shares in SSgA Singapore (the **SSgA Singapore Securities**) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The SSgA Securities are class P shares in SSgA Singapore. The SSgA Securities are accumulation shares denominated in SGD that do not, as a general rule, entitle the holder to a dividend, but where the amount to be distributed is accumulated in SSgA Singapore.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The net asset value is established daily, except on Saturdays, Sundays and official public holidays in France and/or Singapore and days when the stock markets in Paris and/or Singapore are closed. The net asset value is available daily on the internet at [www.ssga.com](http://www.ssga.com), on Bloomberg. <BALSINI FP>, on Reuters <001842.FRF>, Reuters State Street Banque page <SSBQE> or from the fund manager on +33 1 44 45 40 00.

Redemptions may be made in cash and/or by contribution of transferable securities. The exit price is that resulting from the next net asset value per share, calculated on the basis of the day's closing prices. When SSgA Singapore's net assets are less than the amount fixed by regulations, no shares or fractions of shares can be redeemed.

### 2. INVESTMENT POLICY

The investment objective of SSgA Singapore is to seek to obtain a performance equal to the performance of the MSCI (Morgan Stanley Capital International) Singapore index, however it develops.

The aim of the management strategy is to ensure that the tracking error between the change in net asset value and the index (measured by tracking error) is as small as possible and lower than 1%.

Benchmark index: MSCI Singapore, the replication sought is close to 1.0.

- The MSCI Singapore Index represents all the shares listed in Singapore.

- Currency: Singapore dollar.
- Exchange rates applied: Closing.
- Reinvestment of net dividends.
- Geographical reference zone: Singapore.
- Type of index: Equities.
- The composition of the reference index may contain securities that account for more than 10% of the total.
- Detailed information on the underlying components of the benchmark index is available on the website <http://www.msci.com/products/indices/licensing/constituents.html>.

The fund manager uses the investment method or methods deemed best suited to attaining the investment objectives.

The management strategy employs the pure physical replication method that consists of purchasing all the securities that make up the benchmark index in proportion to their respective weightings. The structure of the portfolio is therefore very close to that of the benchmark. In well-defined circumstances, SSgA Singapore may purchase securities that are not included in the index.

### 3. INVESTMENT RESTRICTIONS

SSgA is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where SSgA is located.

As an index-based UCITS, the Fund may make use of the waivers specified by Article R 214-22 of the French Monetary and Financial Code, relating to the investment limits in financial instruments of a single issuer. The Fund may invest up to 20% of its assets in shares or debt securities of the same issuer, and this limit can be raised to 35% for a single issuer when it is deemed justified by exceptional market conditions, in particular on regulated markets in which certain securities or money market instruments are predominant. Depending on regulatory or market constraints, the Fund may deem it necessary to utilise an optimisation strategy to build a representative portfolio. Consequently, the Fund will generally only hold a sub-set of securities included in the Index.

The relevant criteria and restrictions applicable to SSgA Singapore relate to, among others:

- Singapore equities;
- debt securities and money market instruments;
- mutual fund units;
- investment in deposits;
- derivatives; and
- securities lending.

#### 4. PRINCIPAL RISK FACTORS

Due to the composition and the techniques applied by its fund management, SSgA Singapore is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

SSgA Singapore is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in SSgA Singapore exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

The performance of SSgA Singapore is generally dependent on the implementation of its investment policy and is influenced in particular by the following risk factors:

- achievement of the management objectives;
- change in the weightings of the benchmark index;
- costs and expenses;
- tracking of the index performance;
- market disruption;
- liquidity;
- tracking errors;
- credit and counterparties;
- securities lending;
- currency exchange; and
- derivatives.

The risk factors listed in this section are not exhaustive.

#### 5. CORPORATE INFORMATION

Address	Défense Plaza, 23-25 rue Delarivière-Lefoullon, 92064 Paris La Défense Cedex
Assets under management	SGD33,980,000 as of June 2015
Fund manager	State Street Global Advisors France
Fund currency	SGD

Launch Date	28 July 2000
Length of life	99-year term until 25 July 2099
Portfolio management location	France
Fiscal year end	31 December
Custodian	State Street Banque S.A. Défense Plaza 23-25 rue Delarivière-Lefoullon 92064 Paris La Défense Cedex

**6. ADDRESS OF FUND MANAGER AND REMUNERATION**

State Street Global Advisors France.  
Défense Plaza  
23-25 rue Delarivière-Lefoullon  
92064 Paris La Défense Cedex

SSgA Singapore will be invoiced for the P shares management fees at a tax-inclusive maximum rate of 0.70%. A transfer fee of EUR100 will apply on a per transaction basis.

**7. STATUTORY AUDITOR**

Ernst & Young Audit  
Tour Ernst & Young  
Faubourg de l'Arche  
92037 Paris-La Défense, France

**8. FINANCIAL INFORMATION**

Financial information in respect of SSgA may be accessed on <http://www.ssga.com>.

**9. ADDITIONAL INFORMATION**

Any additional information in respect of SSgA may be accessed on <http://www.ssga.com>.

## **THREADNEEDLE GLOBAL SELECT FUND (RET NET ACC USD)**

The fund prospectus (the **Threadneedle Fund Prospectus**) of Threadneedle Investment Funds ICVC (**Threadneedle**) (<http://www.threadneedle.co.uk/en/Funds/Document-Centre/Legal-Documents/>) contains a detailed description of Threadneedle and its subfund Global Select Fund (**TGSF**).

### **1. THREADNEEDLE GLOBAL SELECT FUND (RET NET ACC USD)**

#### **1.1 ISIN / WKN**

ISIN: GB0002769312

WKN: 987677

#### **1.2 Stock Exchange**

Threadneedle has not taken any step for the admission to trading of the Class 1 net accumulation shares in TGSF (the **TGSF Securities**) on any stock exchange.

#### **1.3 Securities**

(a) Description of the securities

The TGSF Securities are Class 1 net accumulation shares in TGSF. The TGSF Securities are accumulation shares denominated in USD that do not, as a general rule, entitle the holder to a dividend, but where the net income attributable to a share is accumulated so that it is reflected in the increased value of that share.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The most recent price of the TGSF Securities will be available at [www.threadneedle.com](http://www.threadneedle.com). The price at which the TGSF Securities are sold is based on the net asset value of TGSF plus any initial charge, adjusted to include any applicable dilution adjustment. The net asset value of TGSF is calculated from Monday to Friday excluding public and bank holidays in England and Wales and other days at Threadneedle's authorised corporate director's discretion.

### **2. INVESTMENT POLICY**

TGSF's investment policy is to invest the assets of TGSF primarily in equities issued by companies worldwide. The portfolio may be concentrated geographically or with respect to stock and sector positions, which may lead to increased levels of volatility. If Threadneedle's authorised corporate director considers it desirable, it may further invest in other securities (including fixed interest securities, other equities and money market securities).

### **3. INVESTMENT RESTRICTIONS**

Threadneedle is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled "Obligations concerning the investment policies of UCITS" of Directive 2009/65/EC, as implemented by the national law of the Member State where Threadneedle is located.

The relevant criteria and restrictions applicable to TGSF relate to, among others:

- transferable securities and money market instruments;
- eligible securities and derivatives markets
- UCITS and other UCIs;
- lending and borrowing of money
- deposits and cash;
- stock lending;
- short sales; and
- derivative instruments.

#### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, TGSF is subject to volatility, which means that the price per share may be subject to considerable downward or upward fluctuation, even within short periods of time.

TGSF is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in TGSF exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, TGSF may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of TGSF considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of TGSF is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- credit risk;
- developments in emerging markets;
- the liquidity of the assets invested in;
- cash concentration;
- the use of derivative financial instruments;
- interest rate movements; and
- currency exchange rates.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	Threadneedle Investment Funds ICVC 60 St Mary Axe London EC3A 8JQ
Assets under management	USD1,320,700,000 as of July 2015
Authorised corporate director	Threadneedle Investment Services Limited
Investment manager	Threadneedle Asset Management Ltd.
Fund currency	USD
Launch Date	5 August 1997
Length of life	Unlimited
Portfolio Management Location	United Kingdom
Fiscal year end	7 March
Custodian	Citibank International PLC Citigroup Centre, Canada Square Canary Wharf London E14 5LB

## 6. ADDRESS OF CORPORATE AUTHORISED DIRECTOR AND REMUNERATION

Threadneedle Investment Services Limited  
PO Box 10033  
Chelmsford Essex CM99 2AL

The authorised corporate director of Threadneedle will be paid an annual fee of 1.5 % p.a. on the average net assets of the TGSF Securities.

## 7. ADDRESS OF INVESTMENT MANAGER AND REMUNERATION

Threadneedle Asset Management Ltd.  
60 St Mary Axe  
London EC3A 8JQ, UK

The remuneration of the investment manager of TGSF will be paid by the authorised corporate director of Threadneedle out of its remuneration as set out above.

## 8. STATUTORY AUDITOR

PricewaterhouseCoopers LLP  
7 More London Riverside  
London SE1 2RT

## 9. FINANCIAL INFORMATION

Financial information in respect of Threadneedle may be accessed on <http://www.threadneedle.co.uk>.

**10. ADDITIONAL INFORMATION**

Any additional information in respect of Theadneedle may be accessed on <http://www.threadneedle.co.uk>.



## TIMBERLAND TOP-DIVIDENDE INTERNATIONAL (TL A)

The fund prospectus (the **Timberland Fund Prospectus**) of Timberland, *Société d'investissement à capital variable* (**Timberland**) ([http://www.bayerninvest.lu/web/bayerninvest/timberland\\_fonds](http://www.bayerninvest.lu/web/bayerninvest/timberland_fonds)) contains a detailed description of Timberland and its sub-fund Timberland Top-Dividende International (**Timberland TDI**).

### 1. TIMBERLAND TOP- DIVIDENDE INTERNATIONAL (TL A)

#### 1.1 ISIN / WKN

ISIN: LU0640387881

WKN: A1JB2Y

#### 1.2 Stock Exchange

Timberland has not taken any steps for the admission to trading of the class TL A shares in Timberland TDI (the **Timberland TLA Securities**) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The Timberland TLA Securities are class TL A shares in Timberland TDI. The Timberland TLA Securities are capitalisation shares denominated in EUR that do not, as a general rule, entitle the holder to a dividend, but where the amount to be distributed is reinvested in Timberland TLA Securities.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The price of the Timberland TLA Securities will be disclosed at least twice a month. This information is available on [www.kompetenzverbindet.lu](http://www.kompetenzverbindet.lu).

### 2. INVESTMENT POLICY

The investment objective of Timberland TDI is to achieve a reasonable return on the capital invested under its investment strategy.

The investment of the assets of Timberland TDI is based on the so-called value approach in blue-chip companies using the dividend strategy “low-5”.

### 3. INVESTMENT RESTRICTIONS

Timberland is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where Timberland is located.

The relevant criteria and restrictions applicable to Timberland TDI relate to, among others:

- transferable securities and money market instruments;

- UCITS and other UCIs;
- precious metals and certificates relating thereto;
- derivative financial instruments; and
- borrowings, loans, deposits and short sales.

#### 4. PRINCIPAL RISK FACTORS

Due to the composition and the techniques applied by its fund management, Timberland TDI is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

Timberland TDI is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in Timberland TDI exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, Timberland TDI may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of Timberland TDI considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of Timberland TDI is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments;
- developments in emerging markets;
- the liquidity of the assets invested in;
- concentration risk;
- key management persons;
- the use of derivative financial instruments;
- interest rate movements; and
- exchange rate movements.

The risk factors listed in this section are not exhaustive.

#### 5. CORPORATE INFORMATION

Address	Timberland, SICAV
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	3, rue Jean Monnet L-2180 Luxembourg
Assets under management	EUR4,110,000 as of July 2015
Management company	BayernInvest Luxembourg S.A.
Investment manager	Timberland Capital Management GmbH
Fund currency	EUR
Launch Date	1 August 2011
Length of life	Unlimited
Portfolio management location	Germany
Fiscal year end	31 December
Custodian	M.M. Warburg & CO Luxembourg S.A. 2 Place François-Joseph Dargent L-1413 Luxembourg

#### **6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION**

BayernInvest Luxembourg S.A.  
6, rue Gabriel Lippmann  
L-5365 Munsbach 6

The remuneration of the management company of Timberland TDI is equal to 1.50% p.a., payable monthly and based on of the average net assets of Timberland TDI for the month concerned.

#### **7. ADDRESS OF FUND MANAGER AND REMUNERATION**

Timberland Capital Management GmbH  
Hüttenallee 137  
D-47800 Krefeld

The investment manager of Timberland TDI will receive a fee paid out of the remuneration of the management company of Timberland TDI in addition to a performance-based fee of up to 15% p.a.

#### **8. STATUTORY AUDITOR**

KPMG Luxembourg S.à r.l  
9, Allée Scheffer  
L – 2520 Luxembourg

#### **9. FINANCIAL INFORMATION**

Financial information in respect of Timberland may be accessed on [http://www.bayerninvest.lu/web/bayerninvest/timberland\\_fonds](http://www.bayerninvest.lu/web/bayerninvest/timberland_fonds).

#### **10. ADDITIONAL INFORMATION**

Any additional information in respect of Timberland may be accessed on ([http://www.bayerninvest.lu/web/bayerninvest/timberland\\_fonds](http://www.bayerninvest.lu/web/bayerninvest/timberland_fonds)).

## TIMBERLAND TOP-DIVIDENDE INTERNATIONAL (TL D)

The fund prospectus (the **Timberland Fund Prospectus**) of Timberland, *Société d'investissement à capital variable* (**Timberland**) ([http://www.bayerninvest.lu/web/bayerninvest/timberland\\_fonds](http://www.bayerninvest.lu/web/bayerninvest/timberland_fonds)) contains a detailed description of Timberland and its sub-fund Timberland Top-Dividende International (**Timberland TDI**).

### 1. TIMBERLAND TOP- DIVIDENDE INTERNATIONAL (TL D)

#### 1.1 ISIN / WKN

ISIN: LU0726887325

WKN: A1JR4F

#### 1.2 Stock Exchange

Timberland has not taken any steps for the admission to trading of the class TL D shares in Timberland TDI (the **Timberland TLD Securities**) on any stock exchange.

#### 1.3 Securities

##### (a) Description of the securities

The Timberland TLD Securities are class TL D shares in Timberland TDI. The Timberland TLD Securities are capitalisation shares denominated in HUF that do not, as a general rule, entitle the holder to a dividend, but where the amount to be distributed is reinvested in Timberland TLD Securities.

##### (b) Description of the market on which the securities are traded.

N/A

##### (c) Frequency of the publication of the price of the securities

The price of the Timberland TLD Securities will be disclosed at least twice a month. This information is available on [www.kompetenzverbindet.lu](http://www.kompetenzverbindet.lu).

### 2. INVESTMENT POLICY

The investment objective of Timberland TDI is to achieve a reasonable return on the capital invested under its investment strategy.

The investment of the assets of Timberland TDI is based on the so-called value approach in blue-chip companies using the dividend strategy “low-5”.

### 3. INVESTMENT RESTRICTIONS

Timberland is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where Timberland is located.

The relevant criteria and restrictions applicable to Timberland TDI relate to, among others:

- transferable securities and money market instruments;

- UCITS and other UCIs;
- precious metals and certificates relating thereto;
- derivative financial instruments; and
- borrowings, loans, deposits and short sales.

#### 4. PRINCIPAL RISK FACTORS

Due to the composition and the techniques applied by its fund management, Timberland TDI is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

Timberland TDI is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in Timberland TDI exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, Timberland TDI may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of Timberland TDI considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of Timberland TDI is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments;
- developments in emerging markets;
- the liquidity of the assets invested in;
- concentration risk;
- key management persons;
- the use of derivative financial instruments;
- interest rate movements; and
- exchange rate movements.

The risk factors listed in this section are not exhaustive.

#### 5. CORPORATE INFORMATION

Address	Timberland, SICAV
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	3, rue Jean Monnet L-2180 Luxembourg
Assets under management	EUR4,110,000 as of July 2015
Management company	BayernInvest Luxembourg S.A.
Investment manager	Timberland Capital Management GmbH
Fund currency	HUF
Launch Date	1 August 2011
Length of life	Unlimited
Portfolio management location	Germany
Fiscal year end	31 December
Custodian	M.M. Warburg & CO Luxembourg S.A. 2 Place François-Joseph Dargent L-1413 Luxembourg

#### **6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION**

BayernInvest Luxembourg S.A.  
6, rue Gabriel Lippmann  
L-5365 Munsbach

The remuneration of the management company of Timberland TDI is equal to 1.50% p.a., payable monthly and based on of the average net assets of Timberland TDI for the month concerned.

#### **7. ADDRESS OF FUND MANAGER AND REMUNERATION**

Timberland Capital Management GmbH  
Hüttenallee 137  
D-47800 Krefeld

The investment manager of Timberland TDI will receive a fee paid out of the remuneration of the management company of Timberland TDI in addition to a performance-based fee of up to 15% p.a.

#### **8. STATUTORY AUDITOR**

KPMG Luxembourg S.à r.l  
9, Allée Scheffer  
L – 2520 Luxembourg

#### **9. FINANCIAL INFORMATION**

Financial information in respect of Timberland may be accessed on [http://www.bayerninvest.lu/web/bayerninvest/timberland\\_fonds](http://www.bayerninvest.lu/web/bayerninvest/timberland_fonds).

#### **10. ADDITIONAL INFORMATION**

Any additional information in respect of Timberland may be accessed on ([http://www.bayerninvest.lu/web/bayerninvest/timberland\\_fonds](http://www.bayerninvest.lu/web/bayerninvest/timberland_fonds)).

## TWEEDY, BROWNE INTERNATIONAL VALUE FUND (CHF)

The fund prospectus (the **TB Fund Prospectus**) of Tweedy, Browne Value Funds, *société d'investissement à capital variable* (**Tweedy, Browne**) (<http://www.tweedysicav.com>) contains a detailed description of Tweedy and its sub-fund Tweedy, Browne International Value Fund (CHF) (**TB IVF**).

### 1. TWEEDY, BROWNE INTERNATIONAL VALUE FUND (CHF)

#### 1.1 ISIN / WKN

ISIN: LU0076398725

WKN: 987163

#### 1.2 Stock Exchange

Tweedy has not taken any steps for the admission to trading of the Class C Investor Shares in Tweedy, Browne (the **TB IVF Securities**) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The TB IVF Securities are Class C Investor Shares in Tweedy, Browne. The TB IVF Securities are capitalisation shares denominated in CHF that capitalise their entire earnings. Accordingly, it is not anticipated that any net income or capital gains of TB IVF will be distributed to the holders of the TB IVF Securities.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

TB IVF Securities are generally redeemable on 10 calendar days' prior notice on the fifteenth and the last calendar days of each month or, if either of the fifteenth calendar day or last calendar day is not a business day, the first preceding business day. TB IVF Securities will be redeemed at a price equal to the net asset value per TB IVF Security.

The redemption price of the TB IVF Securities is published on a daily basis in German newspapers, *Börsen-Zeitung* (PO Box 11 09 32, 60044 Frankfurt am Main, Germany) and *Frankfurter Allgemeine* (60267 Frankfurt am Main, Germany). The net asset value per TB IVF Security is made public at the registered office of Tweedy, Browne and is available at the offices of State Street Bank Luxembourg S.A.. This information is also available on <http://www.tweedysicav.com>.

### 2. INVESTMENT POLICY

The primary emphasis of TB IVF is on the preservation of capital while seeking a satisfactory rate of return. TB IVF's investment philosophy is based on the concept of "intrinsic value" of a share. As such, TB IVF aims to take advantage of fluctuations in stock prices by purchasing securities at prices significantly below their intrinsic value, and selling securities as their market price approaches intrinsic value.

TB IVF seeks to achieve capital appreciation by investing throughout the world in a diversified portfolio consisting primarily of equity securities of non-U.S. issuers admitted to or dealt in on a regulated market. The use of "CHF" in the name of TB IVF indicates the base currency of TB IVF and not necessarily the currency of denomination of TB IVF's investments.

TB IVF may invest without limitation in securities denominated in currencies other than the Swiss Franc. It is intended, although not required, that the securities positions of TB IVF be hedged to its base currency. Up to 20% of the net asset value of TB IVF may be invested in securities of U.S. issuers admitted to or dealt in on a regulated market. Although investments in U.S. securities are permitted, these investments will be made when opportunities in the U.S. appear more attractive. TB IVF uses the commitment approach to monitor and measure its global exposure.

### **3. INVESTMENT RESTRICTIONS**

Tweedy, Browne is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where Tweedy, Browne is located.

The relevant criteria and restrictions applicable to TB IVF relate to, among others:

- transferable securities;
- approved money market instruments;
- collective investment schemes;
- bank deposits;
- use of derivative instruments;
- master-feeder structures;
- investments of TB IVF into another subfund of Tweedy, Browne; and
- stock lending.

### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, Tweedy, Browne is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

Tweedy, Browne is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in Tweedy, Browne exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, Tweedy, Browne may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of Tweedy, Browne considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.



The performance of TB IVF is generally dependent on the implementation of its investment policy and is influenced in particular by the following risk factors:

- small and medium capitalisation stocks;
- illiquid securities;
- distressed securities;
- securities lending;
- investment in derivatives;
- hedging techniques; and
- emerging markets.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	Tweedy, Browne Value Funds SICAV 49, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg
Assets under management	CHF339,700,000 as of July 2015
Fund manager (Luxembourg Central Administrator)	State Street Bank Luxembourg S.A.
Investment manager	Tweedy, Browne Company LLC 350 Park Avenue New York, New York 10022 United States of America
Fund currency	CHF
Launch Date	31 October 1996
Length of life	Unlimited
Portfolio management location	United States of America
Fiscal year end	30 September
Custodian	State Street Bank Luxembourg S.A. 49, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg

## 6. ADDRESS OF FUND MANAGER (LUXEMBOURG CENTRAL ADMINISTRATOR) AND REMUNERATION

State Street Bank Luxembourg S.A.  
49, avenue J.F. Kennedy

L-1855 Luxembourg  
Grand Duchy of Luxembourg

Tweedy, Browne pays to the fund manager a fee for the TB IVF, payable monthly in arrears, based on the net assets of TB IVF, calculated on a scaled fee structure from 0.15 to 0.11% of net assets of TB IVF, plus transaction fee.

**7. ADDRESS OF INVESTMENT MANAGER AND REMUNERATION**

Tweedy, Browne Company LLC  
350 Park Avenue  
New York, New York 10022  
United States of America

TB IVF pays an investment management fee to the investment manager at an annual rate of 1.25% of the average aggregate net asset value of the TB IVF Securities.

**8. AUDITOR**

Ernst & Young  
7, Rue Gabriel Lippmann,  
Parc d'Activité Syrdall 2,  
L – 5365 Munsbach  
Grand-Duchy of Luxembourg,

**9. FINANCIAL INFORMATION**

Financial information in respect of TB IVF may be accessed on <http://www.tweedysicav.com>.

**10. ADDITIONAL INFORMATION**

Any additional information in respect of TB IVF may be accessed on <http://www.tweedysicav.com>.

## UNIGLOBAL

The fund prospectus (the **UniG Fund Prospectus**) of UniGlobal (**UniG**) ([http://privatkunden.union-investment.de/handle?action=downloadSucheVku&lookup=true&obj\\_isin=DE0008491051](http://privatkunden.union-investment.de/handle?action=downloadSucheVku&lookup=true&obj_isin=DE0008491051)) contains a detailed description of UniG.

### 1. UNIGLOBAL

#### 1.1 ISIN / WKN

ISIN: DE0008491051  
WKN: 849105

#### 1.2 Stock Exchange

UniG has not taken any step for the admission to trading of its units (the **UniG Securities**) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The UniG Securities are units in UniG. The UniG Securities are shares denominated in EUR that entitle the holder to a dividend which is paid yearly within four month after the end of the fiscal year.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The price at which the UniG Securities will be issued or redeemed will be published regularly on [www.privatkunden.union-investment.de](http://www.privatkunden.union-investment.de).

### 2. INVESTMENT POLICY

UniG is an equity fund whose investment objective is to generate market practice revenues and long term capital growth.

### 3. INVESTMENT RESTRICTIONS

UniG is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where UniG is located.

The relevant criteria and restrictions applicable to UniG relate to, among others:

- transferable securities and money market instruments;
- UCITS and other UCIs;
- bank deposits; and

- derivative financial instruments.

#### 4. PRINCIPAL RISK FACTORS

Due to the composition and the techniques applied by its fund management, UniG is subject to volatility, which means that the price per unit may be subject to considerable downward or upward fluctuation, even within short periods of time.

UniG is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in UniG exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, UniG may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of UniG considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of UniG is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments especially but not limited to the development of equities;
- developments in emerging markets;
- the liquidity of the assets invested in;
- securities lending;
- the use of leverage techniques;
- the use of derivative financial instruments;
- interest rate movements; and
- exchange rate movements.

The risk factors listed in this section are not exhaustive.

#### 5. CORPORATE INFORMATION

Address	Union Investment Privat Funds GmbH Wiesenhüttenstr. 10 D-60329 Frankfurt am Main
Assets under management	EUR13,323,000 as of July 2015
Capital management company	Union Investment Privat Funds GmbH
Fund currency	EUR

Launch date	2 January 1960
Length of life	Unlimited
Portfolio management location	Germany
Fiscal year end	30 September
Custodian	WGZ Bank AG Ludwig-Erhard-Allee 20 D-40227 Düsseldorf

## **6. ADDRESS OF CAPITAL MANAGEMENT COMPANY AND REMUNERATION**

Union Investment Privat Funds GmbH  
Wiesenhüttenstr. 10  
60329 Frankfurt am Main  
Germany

The remuneration of the capital management company of UniG is equal to 1.20% p.a. and an additionally flat rate fee of 0.25% p.a. of the net asset value of UniG, each payable daily.

## **7. STATUTORY AUDITOR**

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft,  
Mergenthalerallee 3-5  
D-65760 Eschborn

## **8. FINANCIAL INFORMATION**

Financial information in respect of UniG may be accessed on <http://privatkunden.union-investment.de>.

## **9. ADDITIONAL INFORMATION**

Any additional information in respect of UniG may be accessed on <http://privatkunden.union-investment.de>.

## VALUEINVEST LUX GLOBAL

The fund prospectus (the **ValueInvest Fund Prospectus**) of ValueInvest LUX GLOBAL (VILG) ([http://issuu.com/ValueInvest/docs/prospectus\\_vilux\\_dec\\_2011\\_en?e=1005321/3364073](http://issuu.com/ValueInvest/docs/prospectus_vilux_dec_2011_en?e=1005321/3364073)) contains a detailed description of ValueInvest (**VILG**).

### 1. VALUEINVEST LUX GLOBAL A C

#### 1.1 ISIN / WKN

ISIN: LU0135991064

WKN: AOBLT7

#### 1.2 Stock Exchange

ValueInvest has not taken any step for the admission to trading of the shares (the **VILG Securities**) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The VILG Securities are Class A C shares in VILG. The VILG Securities are accumulation shares denominated in EUR that do not, as a general rule, entitle the holder to a dividend, but where the net income attributable to a share is accumulated so that it is reflected in the increased value of that share.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The price of the VILG securities is published daily.

### 2. INVESTMENT POLICY

VILG shall be invested broadly and globally in publicly listed shares. VILG may hold on an ancillary basis liquid assets (cash) for not more than 10% of its total assets.

The Investment Manager seeks to help to construct a widely diversified portfolio of small, medium and large capitalization shares from a variety of industries and a variety of countries.

The objective of VILG is to uncover shares whose current market prices are at significant discounts to the Investment Manager's estimate of their true Fair Value. These stocks are considered to be value stocks. Value stocks are determined by the Investment Manager on the basis of fundamental criteria and are selected regardless of their market capitalization (small, mid, large caps), sector or geographical location.

VILG assets are invested worldwide in publicly listed companies deemed by the Investment Manager to be value stocks.

VILG is designed for long-term value investors who wish to focus their investment exposure on foreign share markets of developed countries.

### **3. INVESTMENT RESTRICTIONS**

VILG is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where VILG is located.

The relevant criteria and restrictions applicable to VILG relate to, among others:

- equity securities and liquid assets;
- debt securities and money market instruments;
- UCITS and other UCIs;
- securities lending; and
- derivative instruments.

### **4. PRINCIPAL RISK FACTORS**

Due to the composition and the techniques applied by its fund management, VILG is subject to volatility, which means that the price per share may be subject to considerable downward or upward fluctuation, even within short periods of time.

VILG is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in VILG exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, VILG may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of VILG considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of VILG is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments; especially but not limited to the development of equities;
- developments in emerging markets;
- the liquidity of the assets invested in;
- the use of derivative financial instruments;
- interest rate movements; and
- exchange rate movements of non-euro currencies in relation to the euro.

The risk factors listed in this section are not exhaustive.

## 5. CORPORATE INFORMATION

Address	11, rue Aldringen L - 1118 LUXEMBURG
Assets under management	EUR553,870,000 as of July 2015
Fund Manager	ValueInvest Asset Management S.A. Luxembourg
Fund Currency	EUR
Launch Date	05 October 2001
Length of life	Unlimited
Portfolio Management Location	Luxembourg
Fiscal year end	31 December
Custodian	KBL EUROPEAN PRIVATE BANKERS S.A 43, Boulevard Royal L - 2955 LUXEMBURG

## 6. ADDRESS OF FUND MANAGER AND REMUNERATION

ValueInvest Asset Management S.A.  
134, route d'Arlon L - 8008 Strassen

The remuneration of the fund manager of VILG is equal to 0.75 % p.a., payable monthly and based on the average net assets of the VILG Securities.

## 7. STATUTORY AUDITOR

Deloitte S.A.  
560 rue de Neudorf  
L-2220 Luxembourg

## 8. FINANCIAL INFORMATION

Financial information in respect of ValueInvest GLOBAL LUX may be accessed on <http://www.ValueInvest.lu>.

## 9. ADDITIONAL INFORMATION

Any additional information in respect of ValueInvest GLOBAL LUX may be accessed on <http://www.ValueInvest.lu>.



## VONTOBEL FUND – GLOBAL EQUITY (EX-US) B

The fund prospectus (the **Vontobel Fund Prospectus**) of Vontobel Fund, Société d'investissement à capital variable (**Vontobel**) ([https://funds.vontobel.com/EN/Quality-Growth/Vontobel-Fund-Global-Equity-\(ex-US\)](https://funds.vontobel.com/EN/Quality-Growth/Vontobel-Fund-Global-Equity-(ex-US))) contains a detailed description of Vontobel and its sub-fund Vontobel Fund – Global Equity (EX-US) (**VGE**)

### 1. VONTOBEL FUND – GLOBAL EQUITY (EX-US) B

#### 1.1 ISIN / WKN

ISIN: LU0129603360

WKN: 796576

#### 1.2 Stock Exchange

Vontobel has not taken any step for the admission to trading of the class B shares in VGE (the **VGE Securities**) on any stock exchange.

#### 1.3 Securities

(a) Description of the securities

The VGE Securities are class B shares in VGE. The VGE Securities are accumulation shares denominated in USD that do not entitle the holder to a dividend, but where the net income attributable to a share is accumulated so that it is reflected in the increased value of that share.

(b) Description of the market on which the securities are traded.

N/A

(c) Frequency of the publication of the price of the securities

The VGE Securities will be redeemed on the basis of the net asset value of VGE (plus a redemption charge (if applicable)). The net asset value per VGE Security is calculated on each valuation day. A list of days on which the net asset value per share is not calculated, is available upon request at the registered office of the management company.

### 2. INVESTMENT POLICY

The investment objective of VGE is to achieve the most high value growth in USD. While investing the assets of VGE the principle of risk diversification is taken into account. VGE invests primarily in equity, equity-related transferable securities and participation certificates issued by companies around the world exempt for companies with headquarter in the United States of America.

### 3. INVESTMENT RESTRICTIONS

Vontobel is subject to the Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) and to the investment restrictions set out therein. The investment restrictions applying to UCITS are set out in Chapter VII entitled “Obligations concerning the investment policies of UCITS” of Directive 2009/65/EC, as implemented by the national law of the Member State where Vontobel is located.

The relevant criteria and restrictions applicable to VGE relate to, among others:

- transferable securities and money market instruments;

- UCITS and other UCIs;
- effective portfolio management instruments and techniques;
- derivative financial instruments; and
- borrowings, loans, deposits and short sales.

#### 4. PRINCIPAL RISK FACTORS

Due to the composition and the techniques applied by its fund management, VGE is subject to volatility, which means that the price per share may be subject to considerable downward or upward fluctuation, even within short periods of time.

VGE is subject to market risk. Variations in the prices of securities and other instruments are essentially determined by variations in the financial markets, as well as in the economic situations of issuers and their perceived creditworthiness, which are themselves impacted by the general world economy as well as the economic and political conditions prevailing in their own country.

Investing in VGE exposes investors to a number of risks, which may include or may be linked to risks associated with equity securities, debt securities, derivative contracts, other financial instruments, exchange rates, interest rates, credit rates, counterparties and volatility; investments may also be exposed to political risks and the risk of force majeure events occurring. Each of the aforementioned risks may also occur in combination with other risks.

In addition, VGE may temporarily concentrate more or less intensively on particular sectors, countries or market segments which may entail the risk that the performance of VGE considerably decreases as a result of any negative event or trend in such sectors, countries or market segments.

The performance of VGE is generally dependent on the implementation of its investment policy and is influenced in particular by the following factors, which give rise to both opportunities and risks:

- general market developments; especially but not limited to the development of equities;
- developments in emerging markets;
- the liquidity of the assets invested in;
- the use of derivative financial instruments;
- counterparty risk;
- interest rate movements; and
- exchange rate movements

The risk factors listed in this section are not exhaustive.

#### 5. CORPORATE INFORMATION

Address	11-13, Boulevard de la Foire L-1528 Luxembourg
Assets under management	USD106,180,000 as of July 2015
Management company	VONTOBEL MANAGEMENT S.A.

Fund Currency	USD
Launch Date	12 June 2001
Length of life	Unlimited
Portfolio Management Location	New York
Fiscal year end	31 August
Custodian	RBC INVESTOR SERVICES BANK S.A. 14, Porte de France L-4360 Esch-sur-Alzette, Luxembourg

**6. ADDRESS OF MANAGEMENT COMPANY AND REMUNERATION**

VONTOBEL MANAGEMENT S.A.  
2-4, rue Jean l'Aveugle  
L-1148 Luxemburg

The remuneration of the fund manager of VGE is equal to 1.65% p.a., payable monthly and based on the daily average net asset value of the VGE Securities for the relevant month.

**7. STATUTORY AUDITOR**

ERNST & YOUNG S.A.  
7, Parc d'activité Syrdall  
L-5365 Munsbach, Luxembourg

**8. FINANCIAL INFORMATION**

Financial information in respect of VONTOBEL may be accessed on <https://funds.vontobel.com>.

**9. ADDITIONAL INFORMATION**

Any additional information in respect of VONTOBEL may be accessed on <https://funds.vontobel.com>.

## DESCRIPTION OF THE PARTIES

### 1. THE COMPANY

#### 1.1 Information about the Company

Timberland Securities SPC was incorporated as an exempted limited liability company under the laws of the Cayman Islands and registered as a segregated portfolio company, on 15 January 2015, and has its registered office at Queensgate House, PO Box 1093, Grand Cayman KY1-1102, Cayman Islands.

The telephone number of the Company is +1 345 945 7099.

The share capital of the Company is EUR31,000 divided into 31,000 shares with a par value of EUR1 each all of which are fully paid up. Stichting Timberland V, a foundation (*stichting*) incorporated under the laws of the Netherlands, holds 31,000 shares in the Company. Due to the nature of the Company's shareholders no counter abuse measures have been put in place. Since the date of its incorporation, the Company has not commenced operations and no financial statements have been made as to the date of this Prospectus.

The Company has been established under Cayman Islands law as a special purpose vehicle for the purpose of issuing asset backed securities.

#### 1.2 Business overview

The principal activities of the Company are those which are set out in the Company's corporate objects clause, which is clause 3 of the Company Articles incorporated by reference into this Prospectus.

The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.

#### 1.3 Administration

The directors of the Company are as follows:

<i>Director</i>	<i>Principal outside activities</i>
Mr Thomas Krämer	Founder of Timberland Capital Management GmbH
Mr Dirk Köster	Employee (portfolio manager) of Timberland Capital Management GmbH
Mr Andrew Dean	Senior Vice President, MaplesFS Limited
Mr Christopher Watler	Senior Vice President, MaplesFS Limited

The business address of Mr Thomas Krämer and Mr Dirk Köster is at 20 B, Rue des Carrieres, 1316 Luxembourg in the Grand Duchy of Luxembourg and the business address of Mr Dean and Mr Watler is at PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman KY1-1102, Cayman Islands. No potential conflicts of interests between any duties owed by the directors of the Issuer to the Company and their private interests and or other duties have been identified.

## 1.4 Financial information

The financial year of the Company begins on 1 July and ends on 30 June of the following year. The first financial year will commence from 19 January 2015 and end on 30 June 2016. The Company will publish its first audited financial statements in respect of the period ending on 30 June 2016. The financial statements of the Company will be prepared in accordance with the fair value principle.

The Company's annual accounts shall be approved by the board of directors and the balance sheet shall be dated and signed on behalf of the board by two directors of the Company. The directors of the Company shall also draw up and sign a directors' report. The statutory auditor of the Company is also required to prepare an auditor's report. A copy of the auditor's report and the directors' report shall also be annexed to the annual accounts. The Company intends to publish annual accounts and annexes within seven months from the end of the relevant accounting period. The Company may however elect to extend the period to publish its accounts by a further eleven months to eighteen months. No such election has been made by the Company.

A copy of any future annual audited financial statements can be obtained from the Company at its registered office in the Cayman Islands.

## 1.5 Statutory Auditor

The statutory audit firm (*cabinet de revision agréé*) of the Company and specifically of the Portfolio is Ernst & Young S.A., having its registered office at 7, rue Gabriel Lippmann, Parc d'Activité Syrdall 2, L-5365 Munsbach and registered with the Luxembourg trade and companies register under number B47.771. The statutory auditor firm is a member of the Luxembourg Institute of Auditors (*Institut des réviseurs d'entreprises*).

## 2. TIMBERLAND INVESTMENT

### 2.1 Information about Timberland Investment

Timberland Investment SA was incorporated in the Grand Duchy of Luxembourg on 18 July 2013 for an unlimited duration as a public limited liability company (*société anonyme*), has its registered office at 46A, avenue J.F. Kennedy L-1855 Luxembourg, is registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B178.756 and is subject, as an unregulated securitisation undertaking, to the provisions of the Securitisation Act 2004.

The Timberland Investment Articles were published on 7 September 2013 in the *Mémorial, Recueil des Sociétés et Associations*, number 2195 on page 105316.

The telephone number of Timberland Investment is +352 27 00 12 200.

The share capital of Timberland Investment is EUR31,000 divided into 31,000 ordinary shares with a par value of EUR1 each all of which are fully paid up. All the issued shares in Timberland Investment are held by Stichting Timberland II, a foundation (*stichting*) incorporated under the laws of the Kingdom of the Netherlands, with registered seat in Amsterdam. Since the date of its incorporation, the Timberland Investment has not commenced operations.

Timberland Investment has been established under Luxembourg law as a special purpose vehicle for the purpose of issuing asset backed securities.

## 2.2 Business overview

The principal activities of Timberland Investment are those which are set out in Timberland Investment's corporate objects clause, which is clause 4 of the Timberland Investment Articles incorporated by reference into this Prospectus.

The corporate objects of Timberland Investment are to enter into, perform and serve as a vehicle for, any securitisation transactions as permitted under the Securitisation Act 2004.

## 2.3 Administration

The directors of Timberland Investment are as follows:

<i>Director</i>	<i>Principal outside activities</i>
Mr Thomas Krämer (Chairman)	Founder of Timberland Capital Management GmbH
Mr Dirk Köster	Employee (portfolio manager) of Timberland Capital Management GmbH
Ms Maud Meyer	Employee of TMF Luxembourg SA
Mr Fabrice Rota	Employee of TMF Luxembourg SA

The business address of Mr Thomas Krämer and Mr Dirk Köster is at 20 B, Rue des Carrieres, L-1316 Luxembourg in the Grand Duchy of Luxembourg and the business address of Ms Maud Meyer and Mr Fabric Rota is at 46A, avenue J.F. Kennedy L-1855 Luxembourg in the Grand Duchy of Luxembourg.

No potential conflicts of interests between any duties owed by the directors of Timberland Investment to Timberland Investment and their private interests and or other duties have been identified.

## 2.4 Financial information

The financial year of Timberland Investment begins on 1 July and ends on 30 June of the following year. Timberland Investment published its first audited financial statements in respect of the period ending on 30 June 2014.

For information concerning Timberland Investment's audited financial statements as of 30 June 2014 please refer to the Timberland Investment Financial Statements set out in this Prospectus under the section entitled "*Documents incorporated by reference*".

In accordance with articles 72, 74 and 75 of the Luxembourg act dated 10 August 1915 on commercial companies, as amended; Timberland Investment is obliged to publish its annual accounts on an annual basis following approval of the annual accounts by the annual general meeting of the shareholders. The ordinary general meeting of shareholders takes place annually on the fourth Thursday of October of each year at 11.00 am at the registered office of Timberland Investment or at such other place as may be specified in the convening notice.

A copy of any future annual audited financial statements can be obtained at the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*).

There has been no significant change in the financial or trading position of Timberland Investment and no material adverse change in the financial position or prospects of Timberland Investment since the financial year ended on 30 June 2014.

Timberland Investment was not engaged in any governmental, legal, arbitration, administrative or other proceedings (including any such proceedings which are pending or threatened of which Timberland Investment is aware) in the 12 months preceding the date of this Prospectus which are likely to have a material adverse effect upon Timberland Investment's financial position or profitability.

## 2.5 Statutory Auditor

The statutory audit firm (*cabinet de revision agréé*) of Timberland Investment is Ernst & Young S.A., having its registered office at 7, rue Gabriel Lippmann, Parc d'Activité Syrdall 2, L 5365 Munsbach and registered with the Luxembourg trade and companies register under number B47.771. The statutory auditor firm is a member of the Luxembourg Institute of Auditors (*Institut des réviseurs d'entreprises*).

## 3. ARRANGER AND INVESTMENT ADVISOR

### 3.1 Arranger

The Issuer has concluded an agreement with Timberland Securities Investment Ltd. acting as arranger of the Issuer (the **Arranger**).

The Arranger is a private limited company incorporated and existing under Maltese law, having its registered office at 171, Old Bakery Street, Valletta VLT 1455, Malta and its head office at Aragon House, St. George's Park, St. Julian's STJ 3140, Malta and is entered in the Registry of Companies at the Malta Financial Services Authority (the **MFSA**) under the number 68856.

Under the agreement, the Arranger undertakes, to provide the Issuer with advisory services in connection with the setting-up of the transaction to be carried out by the Company. According to the agreement, the Arranger is authorised to delegate some or all of its functions to qualified third parties.

The Arranger has an interest in the offer of the Notes and will perceive a remuneration equivalent to the Arranger Fee.

### 3.2 Investment Advisor

#### Investment Advisor

Timberland Investment has concluded an agreement with Timberland Fund Management Ltd. acting as investment advisor of Timberland Investment (the Investment Advisor).

The Investment Advisor is a private limited company incorporated and existing under Maltese law, having its registered office at 171, Old Bakery Street, Valletta VLT 1455, Malta and its head office at Aragon House, St. George's Park, St. Julian's STJ 3140, Malta and is entered in the Registry of Companies at the MFSA under the number 60288.

The Investment Advisor is licenced pursuant to article 6 of the Investment Services Act, 1994, of Malta by the MFSA as a Category 2 licence authorising the Investment Advisor to provide investment services. The Investment Advisor further qualifies as an alternative investment fund manager (an **AIFM**) pursuant to Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers.

Under the agreement, the Investment Advisor undertakes, to provide Timberland Investment with advisory services in connection with the transaction to be carried out by Timberland Investment under its relevant portfolios Compartments. According to the agreement, the Investment Advisor is authorised to delegate some or all of its functions to qualified third parties.

The Investment Advisor has an interest in the offer of the Notes and will perceive a remuneration equivalent to the Advisory Fee payable to it under the Underlying Securities.

## 4. AGENTS

### 4.1 Account Bank

Société Générale Bank & Trust S.A. is acting as account bank (the **Account Bank**) of the Company under a cash account agreement dated 17 August 2015 between the Company and Société Générale Bank & Trust S.A.

Société Générale Bank & Trust S.A. has its registered office at 11, avenue Emile Reuter, L-2420 Luxembourg and is registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B000.606.

Société Générale Bank & Trust S.A. is a company specialised in the administration and protection of financial securities for institutional investors, financial intermediaries and major companies worldwide.

The Account Bank has an interest in the offer of the Notes and will perceive a remuneration of approximately EUR500 p.a. per Portfolio of the Company.

### 4.2 Calculation Agent

Oaklet GmbH, a private limited liability company (*Gesellschaft mit beschränkter Haftung*), incorporated under the laws of the Federal Republic of Germany, having its registered office at Bettinastrasse 61, D-60325 Frankfurt am Main, Germany, registered with the Frankfurt trade and companies register under number 77985, assumes the functions of calculation agent for the determination of all relevant amounts under the Notes.

The relation between the Issuer and the Calculation Agent is that of a principal and an agent. The appointment of the Calculation Agent may be terminated at any time by giving at least 90 days' written notice to the Calculation Agent and an alternative calculation agent may be appointed thereafter.

The Calculation Agent has an interest in the offer of the Notes and will perceive a remuneration of approximately EUR15,000 p.a. or 0.34 *per cent.* of the net asset value of the Underlying per Portfolio, whichever amount is higher.

### 4.3 Paying Agent

Under the agency agreement dated 17 August 2015 between the Company and Société Générale Bank & Trust S.A. (the **Paying Agency Agreement**) Société Générale Bank & Trust S.A. has been appointed as principal paying agent (the **Paying Agent**).

The Paying Agent will carry out the tasks set out in the Paying Agency Agreement, including the provision of customary banking services to the Issuer with respect to the Notes issued by the Issuer (except for the registrar and transfer agent services with regard to the Registered Notes, which are performed by the Registrar and Transfer Agent (as defined below)).

The Paying Agent has an interest in the offer of the Bearer Notes and will perceive a remuneration of approximately EUR4,000 p.a..

### 4.4 Registrar And Transfer Agent

Alter Domus Fund Services (Malta) Limited, a private limited liability company incorporated and existing under the laws of Malta, having its registered office at Vision Exchange Building,



Territorials Street, Mriehel BKR 3000, Malta, registered with the Companies Register of Malta under number C52740, is appointed by the Issuer as its registrar and transfer agent (the **Registrar and Transfer Agent**) in respect of the Registered Notes pursuant to a registrar and transfer agreement dated 25 August 2015 and made between the Company and the Registrar and Transfer Agent (the **Registrar and Transfer Agreement**).

The Registrar and Transfer Agent is regulated by the MFSA and is authorised to provide, *inter alia*, fund administration services in accordance with the Investment Services Act, 1994 of Malta. The **Registrar and Transfer Agent** acts as administrator to various other collective investment schemes licensed in Malta.

The Registrar and Transfer Agent is authorised to have its tasks performed by suitable third parties in accordance with the Registrar and Transfer Agreement.

The Registrar and Transfer Agent has an interest in the offer of the Registered Notes and will perceive a remuneration of approximately EUR2,000 p.a. (including 1,000 registers) and EUR1 for any additional register.

#### **4.5 The Collecting Bank**

The Issuer has appointed Commerzbank AG, a public limited company (*Aktiengesellschaft*) incorporated under the laws of the Federal Republic of Germany, having its registered office at Kaiserplatz, D-60311 Frankfurt am Main and registered in the trade register of Frankfurt/Main under number 32000 as collecting bank (the **Collecting Bank**).

The Collecting Bank will receive (i) any subscription monies from the Registered Notes from the relevant investors which pay the Subscription Price in Euro and (ii) any subscription monies in a currency other than Euro from the Notes from the relevant local branches and subsidiaries or correspondent banks of the Collecting Bank in the relevant jurisdictions. The Collecting Bank will immediately convert the subscription monies under (ii) into a Euro amount taking into consideration the applicable spot rate. The Collecting Bank will transfer the funds to an account of the Issuer held with Société Générale Bank & Trust S.A.

The Collecting Bank is a leading, internationally active commercial bank with a strong international presence with offices in 50 countries. Core markets of the Collecting Bank are Germany and Poland.

The Collecting Bank has an interest in the offer of the Notes and will perceive a remuneration of approximately EUR650 p.a. and market standard payment fees.

#### **4.6 The Distribution Agent**

The Issuer has concluded a distribution agency agreement with Timberland Invest Ltd acting as distribution agent of the Issuer in respect of the Notes (the **Distribution Agent**).

The Distribution Agent is a private limited liability company incorporated and existing under the laws of Malta, under the supervision of the MFSA, with registered office at 171, Old Bakery Street, Valletta VLT 1455, Malta, having its Head Office in Aragon House, St. George's Park, St. Julian's STJ 3140, Malta, registered with the Maltese registry of companies under number C60291.

Under the distribution agency agreement the Distribution Agent and its sales partners and sub-sales partners will ensure the offering and distribution of the Notes in the Public Offer Jurisdictions.

The Distribution Agent undertakes to use best efforts to offer and distribute the Notes in the Public Offer Jurisdiction in accordance with the relevant selling restrictions and applicable law.

The Distribution Agent has an interest in the offer of the Notes and will perceive in respect of each subscribed Note a remuneration equivalent to the Upfront Fee and the Internal Commission.

## **TAXATION**

### **1. GENERAL TAXATION INFORMATION**

The following information provided below does not purport to be a complete description of the tax law and practice currently available. Potential purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of transactions involving the Notes.

Purchasers and/or sellers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of transfer in addition to the issue price or purchase price (if different) of the Notes.

Transactions involving Notes (including purchases, transfer or redemption), the accrual or receipt of any payments in respect of the Notes and the death of a Noteholder may have tax consequences for potential purchasers which may depend, amongst other things, upon the tax status of the potential purchaser and may relate to stamp duty, stamp duty reserve tax, income tax, corporation tax, capital gains tax and/or inheritance tax.

### **2. EU SAVINGS DIRECTIVE**

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

### **3. CAYMAN ISLANDS**

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

#### **Under Existing Cayman Islands Laws:**

Payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal or capital to any holder of the Notes, as the case may be, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue of the Notes. The Notes themselves will be stampable if they are executed in or brought into the Cayman Islands.

An instrument of transfer in respect of a Note is stampable if executed in or brought into the Cayman Islands.

The Company has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has applied for and expects to obtain an undertaking from the Governor in Cabinet of the Cayman Islands in the following form: **The Tax Concessions Law**

### **2011 Revision**

#### **Undertaking as to Tax Concessions**

In accordance with the provision of section 6 of The Tax Concessions Law (2011 Revision), the Governor in Cabinet undertakes with Timberland Securities SPC ("the **Company**").

**1** That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and

**2** In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:

2.1 On or in respect of the shares, debentures or other obligations of the Company;

**OR**

2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).

**3** These concessions shall be for a period of twenty years from the date hereof.

#### **The Cayman Islands Financial Institution Reporting Regime and FATCA**

Under FATCA, the Issuer may be subject to a 30% U.S. withholding tax on (i) certain U.S. source payments, (ii) proceeds from the sale, retirement or other outstanding disposition of a Collateral Obligation received by the Issuer after December 31, 2016, with respect to an obligation that is not outstanding on or that is materially modified on or after July 1, 2014 and (iii) payments treated as "foreign passthru payments" within the meaning of FATCA received by the Issuer after December 31, 2016, with respect to an obligation that is not outstanding on or is materially modified on or after the date that is six months following the issuance of final regulations defining the term "foreign passthru payment".

The Cayman Islands have entered into a Model 1 intergovernmental agreement (the **Cayman IGA**) with the United States. The Issuer is required to comply with the Cayman Islands Tax Information Authority Law (2014 Revision)(as amended) together with regulations and guidance notes made pursuant to such Law (the **Cayman FATCA Legislation**) that give effect to the Cayman IGA. To the extent the Issuer cannot be treated as a Non-Reporting Cayman Islands Financial Institution (as defined in the Cayman IGA) by taking advantage of one of the categories set out in Annex II to the

Cayman IGA (for example by being a Sponsored Investment Entity (as defined in the Cayman IGA)), the Issuer will be a "Reporting Cayman Islands Financial Institution" (as defined in the Cayman IGA). As such, the Issuer is required to register with the IRS to obtain a Global Intermediary Identification Number and to report to the Cayman Islands Tax Information Authority (the **Cayman TIA**) any payments made to Specified US Persons with respect to US Reportable Accounts and, for each of 2015 and 2016, certain non-US financial institutions (each such term as defined in the Cayman IGA). The Cayman TIA will exchange such information with the IRS under the terms of the Cayman IGA. Under the terms of the Cayman IGA, withholding will not be imposed on payments made to the Issuer unless the IRS has specifically listed the Issuer as a non-participating financial institution as a result of "significant non-compliance", or on payments made by the Issuer to the Noteholders unless the Issuer has otherwise assumed responsibility for withholding under United States tax law. Guidance has not yet been issued on what constitutes significant non-compliance.

#### **United Kingdom and Cayman Islands Intergovernmental Agreement**

Holders of Notes who are resident in the United Kingdom for tax purposes should be aware that the Cayman Islands have also entered into a Model 1 intergovernmental agreement (the **UK-Cayman IGA**) with United Kingdom. The UK-Cayman IGA is also given effect by the Cayman FATCA Legislation and it imposes similar requirements as the Cayman IGA. The Issuer, subject to the applicable exemptions described under "*The Cayman Islands Financial Institution Reporting Regime and FATCA*" above, is required to report to the Cayman TIA any payments made to Specified UK Persons with respect to UK Reportable Accounts (each such term as defined in the UK-Cayman IGA). The Cayman TIA will exchange such information with the United Kingdom tax authorities under the terms of the UK-Cayman IGA. A holder of Notes that is resident in the United Kingdom for tax purposes or is an entity that is identified as having one or more controlling persons that is resident in the United Kingdom for tax purposes will generally be required to provide to the Issuer information which identifies such United Kingdom tax resident persons and the extent of their respective interests in the Issuer. Holders who may be affected should consult their own tax advisers regarding the possible implications of these rules.

#### **4. LUXEMBOURG**

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes 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.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

##### **Withholding Tax**

###### *(i) Non-resident holders of Notes*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

###### *(ii) Resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg or to a residual entity (within the meaning of the laws of 21 June 2005 implementing Council Directive 2003/48/EC of 3 June 2003 on the taxation of savings income and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by any Luxembourg resident paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of 10 %.

## 5. AUSTRIA

The following information is of a general nature only. It is based on Austrian tax law and practice and official interpretation currently in effect, all of which are subject to change. Such changes may also have retroactive effect. Future legislative, judicial or administrative changes could modify the tax treatment described below and could affect the tax consequences for investors. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, exchanging or disposing of the Notes under the laws of the jurisdictions in which they may be subject to taxation.

This description of Austrian tax issues is based on the assumption that the Notes are legally and actually publicly offered. Tax risks resulting from the Notes (in particular from a potential qualification as a foreign investment fund within the meaning of sec 188 of the Austrian Investment Funds Act) shall in any case be borne by the investors.

### **Austrian tax resident individual investors**

If the income under the Notes is paid out by a custodian or a paying agent (credit institutions including Austrian branches of foreign credit institutions paying out the income to the holder of the Securities (*depotführende oder auszahlende Stelle*) located in Austria, 25% Austrian withholding tax is applicable. The term "income under the Notes" includes (i) income, if any, realised upon redemption or prior redemption as well as (iii) income realised upon sale of the Notes (capital gains). In the case of Securities that are performance linked (e.g., structured notes, index certificates) with reference items such as shares, bonds, certificates, indices, commodities, currency exchange rates, fund shares, future contracts, interest rates or baskets of such assets including discounted share certificates and bonus certificates, the total capital gains would be treated as income from derivative financial instruments. Capital gains and income from derivatives under the Notes realised by an investor resident in Austria for tax purposes generally are subject to Austrian income tax at a tax rate of 25%. The tax base is generally considered to be the difference between the sales proceeds or the redemption amount and the acquisition costs. Expenses which are directly connected with income subject to the special tax rate of 25% are not deductible. In case of realised capital gains and income from derivatives, the 25% withholding tax deduction will result in final income taxation only for individuals holding the Notes as private assets provided that the investor has evidenced the factual acquisition cost of the Notes to the securities depository. Capital gains and income from derivatives needs to be included in the income tax return if generated as business income or employment income. On 7 July 2015 an amendment to the tax legislation passed the Austrian National Council. It contains a rise of the flat (special) tax rate and the withholding tax rate for individuals from 25 per

cent. to 27.5 per cent. from 1 January 2016. Loss compensation rules were also amended. However, to date, the new law has not been published in the National Gazette yet and thus formally is not yet in force. Prospective investors in the Notes are advised to consult their tax advisors to obtain further information about tax consequences in this regard.

In the absence of an Austrian paying agent or depository, the investor must include capital gains or income from derivatives in the income tax return and such income is taxed at a rate of 25% unless a Swiss or Liechtenstein paying agent has withheld final withholding tax under the respective Swiss or Liechtenstein withholding tax acts implementing the bilateral withholding tax agreements with Switzerland (in force since 1 January 2013) and Liechtenstein (in force since 1 January 2014) which final withholding tax discharges the investor's Austrian income tax liability.

Income from Notes which are not legally or actually publicly offered within the meaning of the Austrian Income Tax Act would not be subject to withholding tax and final taxation but subject to normal progressive personal income tax rates of up to 50% and needs to be included in the investor's income tax return.

Withdrawals (*Entnahmen*) and other transfers of Notes from the securities account will be treated as disposals (sales), unless specified exemptions pursuant to section 27 subpara 6 no1 lit a Austrian Income Tax Act will be fulfilled such as the transfer of the Notes to a securities account owned by the same taxpayer (i) with the same Austrian securities depository (bank), (ii) with another Austrian bank if the account holder has instructed the transferring bank to disclose the acquisition costs to the receiving bank or (iii) with a non-Austrian bank, if the account holder has instructed the transferring bank to transmit the pertaining information to the competent tax office or has, in the case of transfers from a foreign account, himself notified the competent Austrian tax office within a month; or like the transfer without consideration to a securities account held by another taxpayer, if the fact that the transfer has been made without consideration has been evidenced to the bank or the bank has been instructed to inform the Austrian tax office thereof or if the taxpayer has himself notified the competent Austrian tax office within a month. Special rules apply if a taxpayer transfers his/her residence outside of Austria or Austria loses for other reasons its taxation right in respect of the Notes to other countries (which gives rise to a deemed capital gain and exit taxation with the option for deferred taxation in the case of a transfer to an EU member state or certain member states of the European Economic Area).

Losses from Notes held as private assets may only be set off with other investment income subject to the special 25% tax rate (excluding, inter alia, interest income from bank deposits and other claims against banks) and must not be set off with any other income. Pursuant to section 93 subpara 6 Austria Income Tax Act, Austrian securities depositories have to apply a mandatory set-off of losses from securities accounts of the same taxpayer at the same securities depository (subject to certain exemptions). A carry-forward of such losses is not permitted.

In case of an average income tax rate below 25%, the income may be included in the individual tax return and the withholding tax is credited against income tax or paid back, respectively. Expenses in direct economic connection with such income are also not deductible if the option for taxation at the regular personal income tax rate is exercised.

If Notes are held as business assets, income derived from the Notes is also subject to the special income tax rate of 25% deducted by way of withholding tax. However, capital gains and income from derivatives are not subject to final taxation. They have to be included in the tax return and are also subject to the special income tax rate of 25%. Write-downs and losses derived from the sale or redemption of Notes held as business assets must primarily be set off against positive income from realised capital gains of financial instruments of the same business and only half of the remaining loss may be set off or carried forward against any other income.

### **Risk of requalification**

Further, special withholding tax rules will apply if a requalification of any of the Notes into units of a foreign investment fund in the meaning of section 188 of the Austrian Investment Funds Act takes place. Pursuant to section 188 of the Austrian Investment Funds Act, the term "foreign investment fund" comprises (i) undertakings for collective investment in transferable securities ("UCITS") the state of origin of which is not Austria, (ii) alternative investment funds ("AIF") pursuant to the Austrian Act on Alternative Investment Fund Managers (*Alternative Investmentfonds Manager-Gesetz*) the state of origin of which is not Austria; and (iii) alternatively undertakings subject to a foreign jurisdiction, irrespective of the legal form they are organized in, the assets of which are invested according to the principle of risk-spreading on the basis either of a statute, of the undertaking's articles or of customary exercise, in cases of abnormally low taxation in the state of residence. However, there are uncertainties about the conditions that have to be met by a foreign issuer to be qualified as AIF manager. Regarding the definition of an AIF, the guidelines of the Austrian Financial Market Authority (FMA) have to be observed. Prospective investors are advised to consult their tax advisors to obtain further information about the interpretation and tax consequences in this regard. In this respect it should be noted that the Austrian tax authorities have commented upon the distinction between index certificates of foreign issuers on the one hand and foreign investment funds on the other hand in the Investment Fund Regulations. Pursuant to these Investment Fund Regulations, a foreign investment fund may be assumed if for the purpose of the issuance a predominant actual purchase of the reference asset by the issuer or a trustee of the issuer, if any, is made or actively managed assets exist. Direct held debt securities, whose performance depend on an index, should not be seen as foreign investment funds. The term investment fund, however, does not encompass collective real estate investment vehicles pursuant to section 20 of the Austrian Real Estate Funds Act (*Immobilien-Investmentfondsgesetz*).

### **Corporations/Private Foundations**

Corporate investors subject to unlimited corporate income tax liability in Austria will be subject to Austrian corporate income tax at a rate of 25%. A corporation may file an exemption declaration pursuant to section 94 subpara 5 Austrian Income Tax Act in order to avoid Austrian withholding tax. Tax losses may generally be offset against all other income. Tax loss carry forwards generally are possible.

Private foundations pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in section 13 subpara 6 of the Austrian Corporate Income Tax Act and holding Notes as a non-business asset are subject to interim taxation at a rate of 25% (which is, however, not levied in case the private foundation makes distributions to beneficiaries which are subject to Austrian withholding tax) on income from realised capital gains and income from derivatives. Under the conditions set forth in section 94 subpara 12 Austrian Income Tax Act no withholding tax is levied.

### **Non-Austrian tax resident investors**

Income from capital including any capital gain derived from the Notes by individuals who do not have a domicile or their habitual abode in Austria or by corporate investors who do not have their corporate seat or their place of management in Austria is basically currently not taxable in Austria provided that the income is not attributable to an Austrian permanent establishment. An Austrian paying agent or depository may abstain from levying 25% withholding tax under section 94 subpara 5 and 13 Austrian Income Tax Act.

### **EU Savings Directive**

Under the EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required, from July 1, 2005, to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg instead were entitled to apply a withholding system in

relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following the agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from July 1, 2005, a number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

Austria implemented the European Union Savings Directive with the Austrian EU Withholding Tax Act 2004, which may be applicable if a paying agent in Austria (which might be, e.g., any Austrian bank holding a securities account for a holder of Securities) pays out interest within the meaning of the European Union Savings Directive to a beneficial owner who is an individual resident in another Member State than Austria, provided that no exception from such withholding applies. The withholding tax amounts to 35%. Regarding the issue of whether securities are subject to the withholding tax, the Austrian tax authorities distinguish between securities with and without a capital guarantee (a capital guarantee being the promise of a repayment of a minimum amount of the capital invested or the promise of the payment of interest), with the reference items being of relevance. Furthermore, pursuant to the guidelines published by the Austrian Federal Ministry of Finance, income from derivatives, such as futures, options or swaps, does, in general, not qualify as interest in the meaning of the Austrian EU Withholding Tax Act.

On 24 March 2014, the European Council formally adopted a Council Directive amending the EU Savings Tax Directive (the "Amending Directive"). The Amending Directive broadens the scope of the requirements described above. Member States have to adopt the national legislation necessary to comply with the Amending Directive until 1 January 2016. The changes made under the Amending Directive include extending the scope of the EU Savings Tax Directive to payments made to, or collected for, certain other entities and legal arrangements. They also broaden the definition of "interest payment" to cover income that is equivalent to interest. In October 2014 Member States agreed that, from 2017, tax authorities will automatically exchange information with each other on most categories of income and capital held by private individuals and certain entities. It was agreed that Austria would be granted an additional year to apply the new rules, if technical adaptations do not allow implementation in 2017. That means that there will be full tax transparency between all EU Member States from 2018, at the latest. From that date the Austrian EU-Withholding Tax will no longer be levied.

### **Responsibility for Withholding of Taxes**

The Issuer is not liable for the withholding of taxes at source. Withholding tax is levied by an Austrian custodian or paying agent.

### **Austrian inheritance and gift tax**

Austria does not levy an inheritance and gift tax. However, certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation entrance tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Entrance Tax Act (*Stiftungseingangssteuergesetz*). Such tax is triggered if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Certain exemptions apply in case of a transfer *mortis causa*, in particular for bank deposits and publicly placed bonds.



The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate in general is 2.5%, with a higher rate of 25% applicable in special cases.

In addition, a special notification obligation exists for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles. The notification obligation applies if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. The following exemptions may apply: In case of gifts to certain related parties, a threshold of EUR 50.000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of EUR 15.000 during a period of five years. Furthermore, gratuitous transfers to foundations subject to the Austrian Foundation Tax Act as described above are also exempt from the notification obligation. Although no tax is triggered by these disclosure requirements, the breach of the notification obligation may be fined with an amount up to 10% of the fair market value of the assets transferred.

### **Transfer Taxes**

There are no transfer taxes, registration taxes or similar taxes payable in Austria as a consequence of the acquisition, ownership, disposition or redemption of the Notes.

However, on 5 May 2014 the Ministers of Finance of 10 participating member countries of the European Union adopted a declaration for enhanced cooperation regarding the introduction of a financial transaction tax based on the proposal by the European Commission adopted on 14 February 2013. Austria is one of the participating countries. The first steps of implementation are now planned for 2016. Although no law has been passed in Austria so far, such financial transaction tax may be incurred on transactions such as the acquisition, disposition or redemption of the Securities in the future.

## **6. CROATIA**

This section on taxation contains a brief description of the Issuer's understanding with regard to certain important principles which are of significance in connection with the Notes in the Republic of Croatia. This section does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The description is also based on the currently valid and applicable tax legislation. It should be noted that the tax legislation is subject to the frequent amendments and that certain amendments might have impact on tax consequences described below. It is advisable that the potential investors consult tax advisors as to the tax consequences of purchase, holding and sale of the Notes. For the purpose of the following it is assumed that the Notes are legally and factually offered to an indefinite number of persons.

There is no tax on the income from the Notes withheld at source under Croatian tax law.

The Issuer assumes no responsibility with respect to taxes withheld at source.

### **Taxation of Income**

If the Croatian tax resident – legal person accomplishes interest income on Notes, such interest income is calculated in the income tax base as well as the other business operations generating profit and is taxable with the tax rate of 20%

If the Croatian tax resident – natural person accomplishes interest income on Notes, such interest income is not considered as income pursuant to the income tax regulation and is not calculated in the income tax base and consequently is not taxable under the Croatian law.

### **Taxation of Principal**

Pursuant to the Croatian laws, payment of principals under the Note is not subject of any tax regime.

## **Taxation of Capital Gain**

For the purpose of this part of prospectus, capital gain is defined as the profit accomplished by selling the Notes being the difference between the purchase price paid for acquiring the Note and the selling price for which the Note are sold.

In case of the Croatian tax resident – legal entity, the capital gain is calculated in the income tax base and consequently taxable. The profit tax is 20%.

In case of the Croatian tax resident – natural person, the capital gain is not calculated in the income tax base and consequently is not taxable provided such business activity is not the main business activity of the tax resident – natural person.

It should be noted that there is an on-going legislation procedure regarding the taxation of capital gain which has not yet been enacted; however, it is expected to enter into force after in 2015.

## **7. CYPRUS**

The following is a general analysis of certain Cyprus tax implications. This analysis makes no claim as to its completeness, nor does it take into account any specific circumstances and does not purport to be a comprehensive description of or tax advice on all the tax considerations that may be relevant in a particular case or to a particular holder of Notes. It is based on Cypriot laws currently in force and as applied in practice as of the date hereof and shall be subject to any changes in tax laws occurring after such date. Prospective holders of Notes may seek the advice of their professional tax advisors to clarify any tax implications resulting from the receipt of a Payment under the Notes.

Under the Cyprus Tax Law an individual who is a tax resident of Cyprus is taxed on all chargeable income accrued or derived from all sources in Cyprus and abroad. Individuals who are not tax resident of Cyprus are taxed on certain income accrued or derived from sources in Cyprus. An individual is tax resident of Cyprus if he/ she spends in Cyprus more than 183 days in any one calendar year. Foreign taxes paid can be credited against the personal income tax liability.

Under the Cyprus Tax Law a company which is a tax resident in Cyprus is taxed on its income accrued or derived from all chargeable sources in Cyprus and abroad. A non-Cyprus tax resident company is taxed on income accrued or derived from a business activity which is carried out through a permanent establishment in Cyprus and on certain income arising from sources in Cyprus. A company is resident in Cyprus if it is managed and controlled in Cyprus. Foreign taxes paid can be credited against the corporation tax liability.

### **On the Payment (interest and principal)**

The Payment corresponding to the repayment of the principal amount of the Notes should not be subject to tax in Cyprus. Interest income is subject to tax in Cyprus as follows.

#### ***Individuals—Cyprus Tax Residents***

Income tax. From January 1st, 2003, pursuant to Law 118(I)/2002 on Income Tax, as amended, interest income is income tax exempt.

Special Defense Contribution. Since January 1st, 2003, pursuant to Law 117(I)/2002 on Special Contribution for the Defense of the Republic, as amended, an individual who is tax resident in Cyprus and receives or is credited with interest income, is subject to a special defense contribution at a rate of 30%.

#### ***Legal entities—Cyprus Tax Residents***

Income tax. From January 1st, 2009, pursuant to Law 118(I)/2002 on Income Tax, as amended, interest income not arising from the ordinary conduct of business or interest not closely connected with the ordinary conduct of the business, is exempt from income tax. Interest income arising in the ordinary conduct of business, including any interest closely connected with the ordinary conduct of the business, as well as interest acquired by open-ended or close-ended collective investment schemes, is not considered as interest but as trading profit and, therefore, it is considered as taxable income of the company for income purposes. Income tax is imposed at a rate of 12.5%.

Special Defense Contribution. Since January 1st, 2003, pursuant to Law 117(I)/2002 on Special Contribution for the Defense of the Republic (“CDC”), as amended, every legal person who resides in the Republic and receives or is credited with interest income, is subject to a special defense contribution at a rate of 30%. However, interest income arising in the ordinary conduct of business, including any interest closely connected with the ordinary conduct of the business, as well as interest acquired by open-ended or closed-ended collective investment schemes, are exempt from the special defense contribution.

***Other non-Cypriot residents (individuals and legal entities)***

In case of holders of Notes who are not tax residents of Cyprus, the manner of depends on the tax regime of each noteholder’s country of residence. Non-residents of Cyprus are entitled to receive interest without paying any Cypriot income tax and special contribution for the defense. In addition, there is never any withholding tax on interest paid to non-residents of Cyprus.

***Non- Doms***

Under the “non-domicile” or “non-dom” rules, a Cyprus tax resident individual who is not domiciled of Cyprus will effectively not be subject to SDC in Cyprus or any interest, rents or dividends (whether actual or deemed) regardless of whether such income is derived from sources within Cyprus and regardless of whether such income is remitted to a bank account or economically used in Cyprus. It is noted that no tax is imposed on individuals under Income Tax Law in respect of interest and dividend income.

The term “domiciled in Cyprus” is defined in the law as an individual who has a domicile of origin in accordance with the Wills and Succession Law but it does not include:

- (i) An individual who has obtained and maintained a domicile of choice outside Cyprus in accordance with the Wills and Succession Law, provided that such an individual has not been a tax resident of Cyprus for a period of 20 consecutive years preceding the tax year; or
- (ii) An individual who has not been a tax resident of Cyprus for a period of 20 consecutive years prior to the introduction of the law.

Notwithstanding the above, an individual who has been a tax resident of Cyprus for at least 17 years out of the last 20 years prior to the tax year will be considered to be “domiciled in Cyprus” and as such be subject to SDC regardless of his/her domicile or origin.

**Stamp Duty**

Cyprus stamp duty is payable on every instrument executed if it relates to any (a) property situated in Cyprus or (b) matter or thing which is performed or done in Cyprus.

There are instruments which are subject to stamp duty in Cyprus at a fixed fee and instruments which are subject to stamp duty based on the value of the instrument. For contracts the stamp duty rates are as follows:

For amounts up to €5,000, no stamp duty is payable.

For amounts between €5,001 — €170,000: 0.15%.

For amounts over €170,001: 0.2%, with a cap of €20,000.

A document that is chargeable with stamp duty under the provisions of the Cypriot stamp duty law, Law 19/1963 (as amended), must be stamped (a) within 30 days of the date of its execution (if executed in Cyprus) or (b) within 30 days of its receipt in Cyprus (if executed outside Cyprus). Therefore, where a document is chargeable to stamp duty and is executed outside Cyprus, the payment of stamp duty is ‘deferred’ until such document is received in Cyprus. Any document which is stampable, but is not duly stamped, may not be admitted into evidence in civil proceedings in Cyprus until the due stamp duty is paid and is subject to a penalty in the amount of up to 20 per cent. of the stamp duty that is due but unpaid.

#### **Information on Taxes on the Income from Securities withheld at Source**

As far as Cypriot tax residents are concerned, it is the duty of the Issuer to withhold interest at source.

## **8. CZECH REPUBLIC**

*The information set out below is of a general nature and relates only to certain principal Czech withholding tax considerations. Accordingly, it does not deal with any other Czech tax consequences of acquiring, holding or disposing of the Notes, which may be relevant to a decision to purchase the Notes, and is not intended to be, nor should it be regarded as, legal or tax advice. Prospective holders of the Notes should seek, in the light of their individual situation, their own professional advice as to the consequences of acquiring, holding or disposing of the Notes in all relevant jurisdictions. The information is based on the tax laws of the Czech Republic as in effect on the date of this Prospectus and their prevailing interpretations available on or before such date. All of the foregoing is subject to change, which could apply retroactively and could affect the continued validity of this summary.*

*For the purposes of this information, it has been assumed that the Issuer is neither resident for tax purposes nor has a permanent establishment in the Czech Republic.*

#### **Withholding tax**

All interest and other payments to be made by the Issuer under the Notes may be made free of withholding on account of any taxes imposed by the Czech Republic.

#### **Securing tax**

In general, Czech tax residents (or Czech permanent establishments of Czech tax non-residents) acquiring the Notes are required, under their own responsibility, to withhold and to remit to Czech tax authorities a 1 per cent. securing tax from the purchase price when purchasing investment instruments, such as the Notes, from a seller who is resident for tax purposes outside the European Union or the European Economic Area. Such obligation can be eliminated under a tax treaty concluded between the Czech Republic and the country in which the seller is a tax resident. Furthermore, it can be waived in advance based on a decision of Czech tax authorities.

## 9. FRANCE

The following is a description based on the laws and regulations in full force and effect in France as at the date of this Prospectus, which may be subject to change in the future, potentially with retroactive effect. Investors should be aware that the description below is of a general nature and does not constitute legal or tax advice and should not be understood as such. Prospective investors are therefore advised to consult their own qualified advisors so as to determine, in the light of their individual situation, the tax consequences of the purchase, holding, redemption or sale of the Notes.

### *Withholding taxes*

*The following is a summary addressing only the French compulsory withholding tax treatment of income arising from the holding of the Notes. This summary is prepared on the assumption that (i) the Issuer is not and will not be a French resident for French tax purposes and (ii) any transactions in connection with the Notes are not and will not be attributed or attributable to a French branch, permanent establishment or other fixed place of business of the Issuer in France.*

All payments by the Issuer in respect of the Notes will be made free of any compulsory withholding or deduction for or on account of any income tax imposed, levied, withheld, or assessed by France or any political subdivision or taxing authority thereof or therein.

However, if the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A of the French *Code général des impôts*, subject to certain limited exceptions, interest and assimilated income received in relation to securities or claims which are regarded as debt for French tax purposes by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24% withholding tax which is deductible from their personal income tax liability in respect of the year in which the payment has been made. In such case, social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5%. The Issuer would not be required to collect such 24% withholding tax and social contributions on the basis that it will not be acting from France.

### *EU Savings Directive*

The Directive 2003/48/EC has been implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners resident in another Member State, including, the identity and address of the beneficial owner and a detailed list of different categories of interest paid to the beneficial owner.

## 10. GERMANY

*The Issuer does not assume any responsibility for the withholding of taxes at source.*

*The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Notes. It does not purport to be a comprehensive description of all German tax considerations that may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This discussion is based on the tax laws of Germany currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.*

*As each series or tranche of Notes may be subject to a different tax treatment due to the specific terms of such series or tranche of Notes as set out in the respective terms and conditions of the Notes, the following section only provides some general information on the possible tax treatment. Neither tax consequences that may arise if an investor combines certain series of Notes so that he or she derives a certain return nor tax consequences from an allocation of economic ownership of the Underlying to Noteholders are discussed herein.*

*Prospective purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposal of Notes, including the effect of any state, local or church taxes, under the tax laws of Germany and any country of which they are resident or whose tax laws apply to them for other reasons.*

### **German Tax Residents**

The section “German Tax Residents” refers to persons who are tax residents of Germany (*i.e.* persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany).

#### *Withholding tax on capital gains*

Capital gains (*i.e.* the difference between the proceeds from the disposal, redemption, repayment or assignment after deduction of expenses directly related to the disposal, redemption, repayment or assignment and the cost of acquisition) received by a private Noteholder will be subject to German withholding tax if the Notes have been kept or administrated in a custodial account with the same (i) German branch of a German or non-German bank or financial services institution, (ii) German securities trading company or (iii) German securities trading bank (each, a **Disbursing Agent**, *auszahlende Stelle*) since the time of their acquisition. The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). For individual Holders who are subject to church tax an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) in which case the investor will be assessed to church tax.

If similar Notes kept or administrated in the same custodial account were acquired at different points in time, the Notes first acquired will be deemed to have been sold first for the purposes of determining the capital gains. Where Notes are acquired and/or sold in a currency other than Euro, the sales price and the acquisition costs have to be converted into Euro on the basis of the foreign exchange rates prevailing on the sale or redemption date and the acquisition date respectively with the result that any currency gains or losses are part of the capital gains.

To the extent the Notes have not been kept or administrated in a custodial account with the same Disbursing Agent since the time of their acquisition, upon the disposal, redemption, repayment or assignment withholding tax applies at a rate of 26.375 per cent. (including solidarity surcharge, plus church tax, if applicable) on 30 per cent. of the disposal proceeds, unless the current Disbursing Agent has been notified of the actual acquisition costs of the Notes by the previous Disbursing Agent or by a statement of a bank or financial services institution within another Member State of the European Union, the European Economic Area or certain other countries in accordance with art. 17 para. 2 of the Council Directive 2003/48/EC on the taxation of savings income (the **EU Savings Directive**) (*e.g.* Switzerland or Andorra).

Pursuant to a tax decree issued by the German Federal Ministry of Finance dated 9 October 2012 a bad debt-loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden capital contribution, shall not be treated like a disposal. Accordingly, losses suffered upon such bad debt-loss or waiver shall not be tax-deductible. The same rules should be applicable according to the said tax decree, if the Notes expire worthless so that losses may not be tax-deductible at all. A disposal of the Notes will only be recognised according to the view of the tax authorities, if the received proceeds exceed the respective transaction costs.

In computing any German tax to be withheld, the Disbursing Agent may generally deduct from the basis of the withholding tax negative investment income realised by a private Noteholder via the Disbursing Agent (*e.g.* losses from the sale of other securities with the exception of shares). The Disbursing Agent also deducts accrued interest on other securities paid separately upon the

acquisition of the respective security by a private Noteholder via the Disbursing Agent. In addition, subject to certain requirements and restrictions, the Disbursing Agent credits foreign withholding taxes levied on investment income in a given year regarding securities held by a private Noteholder in the custodial account with the Disbursing Agent.

Private Noteholders are entitled to an annual allowance (*Sparer-Pauschalbetrag*) of EUR 801 (EUR 1,602 for married couples and for partners in accordance with the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) for all investment income received in a given year. Upon the private Noteholder filing an exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal, redemption, repayment or assignment of Notes held by a corporation as Noteholder. The same may apply where the Notes form part of a trade or business, subject to further requirements being met.

#### *Taxation of capital gains*

The personal income tax liability of a private Noteholder deriving capital gains from capital investments under the Notes is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in the case of Notes kept in custody abroad, the private Noteholder must report his or her capital gains derived from the Notes on his or her tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge and church tax thereon, where applicable). If the withholding tax on a disposal, redemption, repayment or assignment has been calculated from 30 per cent. of the disposal proceeds (rather than from the actual gain), a private Noteholder may and in case the actual gain is higher than 30 per cent. of the disposal proceeds must also apply for an assessment on the basis of his or her actual acquisition costs. Further, a private Noteholder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any amounts over withheld being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is not permitted.

Losses incurred with respect to the Notes can only be off-set against investment income of the private Noteholder realised in the same or the following years.

Where Notes form part of a trade or business, the withholding tax, if any, will not settle the personal or corporate income tax liability. The respective Noteholder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Noteholder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Noteholder. Where Notes form part of a German trade or business gains from the disposal, redemption, repayment or assignment of the Notes may also be subject to German trade tax. Generally the deductibility of capital losses from Notes which qualify for tax purposes as forward/futures transaction is limited. These losses may only be applied against profits from other forward/futures transactions derived in the same or, subject to certain restrictions, the previous year. Otherwise these losses can be carried forward indefinitely and applied against profits from forward/futures transactions in subsequent years. This generally does not apply to forward/futures transactions hedging risks from the Holder's ordinary business. Further special rules apply to credit institutions, financial services institutions and finance companies within the meaning of the German Banking Act.

#### *German investment taxation*

German tax consequences different from those discussed above would arise if the respective Notes were to be regarded as investment fund units within the meaning of the German Investment Tax Act (*Investmentsteuergesetz*). In such case, the withholding tax requirements for the Disbursing Agent

as well as the taxation of the Noteholder would depend on whether the disclosure and reporting requirements of the German Investment Tax Act were fulfilled. The Noteholder may be subject to tax on unrealised income or, in case the reporting and disclosure requirements are not fulfilled, on income deemed received on a lump-sum basis. Such income may be off-set against any capital gains realised upon disposal of the Notes, subject to certain requirements.

### ***Non-German Tax Residents***

Capital gains from the disposal, redemption, repayment or assignment of Notes are not subject to German taxation, unless the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Noteholder. In this case a tax regime similar to that explained above under "German Tax Residents" applies.

Where capital gains are subject to German taxation as set forth in the preceding paragraph and the Notes are kept or administrated in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Notes are not kept in a custodial account with a Disbursing Agent and proceeds from the disposal, assignment or redemption of a Note are paid by a Disbursing Agent to a non-resident upon delivery of the Notes, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

### ***Inheritance and Gift Tax***

No inheritance or gift taxes with respect to any Notes will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

### ***Other Taxes***

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Germany.

The European Commission and certain EU Member States (including Germany) are currently intending to introduce a financial transactions tax (FTT) (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain when the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force with regard to dealings with the Notes.

### ***EU Savings Directive***

By legislative regulations dated 26 January 2004 the German Federal Government enacted provisions implementing the information exchange on the basis of the EU Savings Directive into German law. These provisions apply from 1 July 2005.

## **11. HUNGARY**

*The following is a general discussion of certain Hungarian tax consequences relating to the acquisition and ownership of Notes. It does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. It is based on laws currently in force in Hungary and applicable on the date of this Prospectus, but subject to change, possibly with retrospective effect. The acquisition of Notes by non-Hungarian holders, or the payment of interest under Notes may trigger additional tax payments in the country of residence of the relevant holder, which is not covered by this summary, but where the provisions of the treaties on the avoidance of double taxation should be taken into consideration. Prospective purchasers of*



*Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws of Hungary and each country of which they are residents.*

### **Withholding tax (foreign resident individual holders)**

The payments of interest on and capital gains realised upon the redemption or sale of publicly offered and traded Notes (**Interest Income**) is taxed at 16 per cent. Notes listed on a regulated market of a Member State are considered publicly offered and traded Notes.

The proceeds paid on privately placed Notes which are not listed on a regulated market of a Member State is considered as other income (**Other Income**) which is part of the individual's aggregated tax base and is taxed at a rate of 16 per cent. (and may be subject to a health care contribution of 27 per cent., as well). The capital gains realised on the sale or redemption of such Notes is considered, as a general rule, capital gains income (**Capital Gains Income**). The tax rate applicable to Capital Gains Income is 16 per cent., while health care contribution of 14 per cent. (capped at 450,000 Hungarian Forint (**HUF**)) may also be payable on the basis of Capital Gains Income.

Foreign resident individual holders are subject to tax in Hungary only if they realise Interest Income from Hungarian sources or income that is otherwise taxable in Hungary if the international treaty or reciprocity so requires. Interest Income should be treated as having a Hungarian source where:

- (a) the relevant Issuer is resident in Hungary for tax purposes;
- (b) the relevant Issuer has a permanent establishment in Hungary and Interest Income realised on the basis of the Notes issued by it is paid by the Hungarian permanent establishment of the relevant Issuer; or
- (c) the foreign resident individual holder has a permanent establishment in Hungary to which the Interest Income is attributable.

The tax on payments of the Interest Income is to be withheld by the "Payor" (*kifizető*) (as defined below).

Pursuant to Act XCII of 2003 on the Rules of Taxation (**ART**) a **Payor** means a Hungarian resident legal person, organisation or private entrepreneur who provides taxable income, irrespective of whether such payment is made directly or through an intermediary (post office, credit institution). In respect of interest, Payor shall mean the borrower of a loan or the issuer of a note, including the investment service provider or credit institution providing the interest instead of it. In respect of revenues originating from a transaction concluded with the involvement of a licensed stockbroker, **Payor** shall mean such stockbroker. The Hungarian permanent establishment of a foreign resident entity is also considered as a **Payor**.

Interest, as defined by Schedule 7 of the ART (which implements the provisions of the Savings Directive), realised on Notes by citizens of any other Member State is not subject to Hungarian tax where a paying agent based in Hungary provides data to the Hungarian state tax authority on the basis of Schedule 7 of the ART.

A foreign resident individual holder who does not have a permanent establishment in Hungary is not subject to tax in Hungary if he realises Capital Gains Income from Hungary since such income is not considered as Hungarian source income.

Please note that the provisions of applicable double tax conventions, if any, should be considered when assessing the Hungarian tax liabilities of a foreign resident individual holder.

### **Withholding tax (foreign resident corporate holders)**

Interest on Notes paid to foreign resident corporate holders who do not have a permanent establishment in Hungary by resident legal entities or other persons and any capital gains realised by such foreign resident holders on the sale of the Notes is not subject to tax in Hungary.

The tax liability of a foreign resident corporate holder, which has a permanent establishment in Hungary is limited, in general, to the income from business activities realised through its Hungarian permanent establishment.

### **Taxation of Hungarian resident individual holders**

The Act CXVII of 1995 on Personal Income Tax (the **Personal Income Tax Act**) applies to the tax liability of Hungarian and foreign private individuals. The tax liability of Hungarian resident private individuals covers the worldwide income of such persons.

According to the provisions of the Personal Income Tax Act, in the case of individual holders, Interest Income is the income paid as interest and the capital gains realised upon the redemption or the sale of publicly offered and publicly traded debt securities. Notes listed on a regulated market of a Member State are considered publicly offered and traded Notes. The withholding tax on Interest Income is currently 16 per cent. Pursuant to Act LXVI of 1998 on Healthcare Contributions, Interest Income is also subject to a healthcare contribution of 6 per cent.

The proceeds paid on privately placed Notes are considered as Other Income which is taxable at a rate of 16 per cent. (and may be subject to a health care contribution of 27 per cent., as well). The capital gains realised on the sale or redemption of such Notes is considered, as a general rule, Capital Gains Income. The tax rate applicable to Capital Gains Income is 16 per cent., while the rate of health care contribution payable on the basis of Capital Gains Income is 14 per cent. (capped at HUF450,000).

The rules of the Personal Income Tax Act may in certain circumstances impose a requirement upon the "Payor" (kifizető) (as defined below) to withhold tax on the interest payments to individual holders.

Pursuant to the ART the definition of a **Payor** covers a Hungarian resident legal person, other organisation, or private entrepreneur that (who) provides taxable income, irrespective of whether such payment is made directly or through an intermediary (post office, credit institution). In respect of interest, **Payor** shall mean the borrower of a loan or the issuer of a note, including the investment service provider or credit institution providing the interest instead of it. In respect of revenues originating from a transaction concluded with the involvement of a licensed stockbroker, **Payor** shall mean such stockbroker. In respect of income that is earned in a foreign country and taxable in Hungary, **Payor** shall mean the paying agent (*megbízott*) (legal person, organisation or private entrepreneur) having tax residency in Hungary.

### **Taxation of Hungarian resident corporate holders**

Under Act LXXXI of 1996 on Corporate Tax and Dividend Tax (the **Corporation Tax Act**), Hungarian resident taxpayers have a full, all-inclusive tax liability. In general, resident entities are those established under the laws of Hungary (i.e. having a Hungarian registered seat). Foreign persons having their place of management in Hungary are also considered as Hungarian resident taxpayers.

In general, interest and capital gains realised by Hungarian resident corporate holders on Notes will be taxable in the same way as the regular income of the relevant holders. The general corporation tax rate in Hungary is 10 per cent. up to the first HUF 500 million of the taxpayer's annual profit and 19 per cent. for the part above this threshold.

Financial institutions, financial enterprises, insurance companies and investment enterprises may be subject to local business tax and innovation tax on the basis of the proceeds realised on Notes.

## 12. IRELAND

The following is a summary based on the laws and practices currently in force in Ireland of certain matters regarding the tax position of investors who are the absolute beneficial owners of their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes including dealers in Notes and trusts. The summary does not constitute tax or legal advice and the comments below are of a general nature only and does not discuss all aspects of Irish taxation that may be relevant to any particular holder of Notes. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

### **Withholding Tax**

Under general Irish tax law the Issuer will not be obliged to withhold tax from payments of principal. In addition, payments of premium or interest (if any, or to the extent a payment may be so characterised for taxation purposes) paid on the Notes may be made without deduction or withholding on account of Irish tax so long as such payments do not constitute Irish source income. Interest (if any) and premium paid on the Notes may be treated as having an Irish source if:

- (a) the Issuer is resident in Ireland for tax purposes; or
- (b) the Issuer is not resident in Ireland for tax purposes but the register for the Notes is maintained in Ireland or if the Notes are in bearer form the Notes are physically held in Ireland; or
- (c) the assets relating to the Notes are attributed to an Irish branch or agency of the Issuer.

Provided that (i) the Issuer is not and will not be resident in Ireland for tax purposes; (ii) the Notes will either be in bearer form and will not be physically located in Ireland or that the Issuer will not maintain a register of any registered Notes in Ireland and (iii) the assets relating to the Notes are not attributed to an Irish branch or agency of the Issuer then no Irish withholding tax should arise on payments of interest in respect of the Notes.

### **Taxation of Receipts**

Notwithstanding that a holder of Notes may receive payments of principal, premium, and interest, premium or discount on the Notes free of Irish withholding tax, the holder of Notes may still be liable to pay Irish income or corporation tax (and in the case of individuals, the universal social charge) on such premium or interest if (i) such interest has an Irish source, (ii) the holder of Notes is resident or (in the case of a person other than a body corporate) ordinarily resident in Ireland for tax purposes (in which case there would also be a social insurance (PRSI) liability for an individual in receipt of premium or interest on the Notes), or (iii) the Notes are attributed to a branch or agency in Ireland. Ireland operates a self-assessment system in respect of income and corporation tax, and each person must assess its own liability to Irish tax.

Relief from Irish income tax may also be available under the specific provisions of a double taxation agreement between Ireland and the country of residence of the recipient.

### **Encashment Tax**

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent) from premium, interest or other income paid on Notes issued by a company not resident in Ireland, where such amount is collected or realised by a bank or encashment agent in Ireland on behalf of any holder of Notes who is Irish resident.

Encashment tax does not apply where the holder of Notes is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

### **Capital Gains Tax**

A holder of Notes will be subject to Irish tax on capital gains on a disposal of Notes unless (a) such holder is: (i) neither resident nor ordinarily resident in Ireland; and (ii) does not carry on a trade or business in Ireland through a permanent establishment, branch or agency in respect of which the Notes are or were held; and (b) the Notes do not derive the greater part of their value directly or indirectly from Irish land or minerals.

### **Capital Acquisitions Tax**

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions if either: (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland; or (ii) if the Notes are regarded as property situate in Ireland. A foreign domiciled individual will not be regarded as being resident or ordinarily resident in Ireland at the date of the gift or inheritance unless that individual: (i) has been resident in Ireland for the five consecutive tax years preceding that date; and (ii) is either resident or ordinarily resident in Ireland on that date.

Bearer Notes are generally regarded as situated where they are physically located at any particular time. Notes in registered form are property situate in Ireland if the register is in Ireland. The Notes may, however, be regarded as situated in Ireland regardless of their physical location if they secure a debt due by an Irish resident debtor and/or are secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponent or the donee/successor.

### **Stamp duty**

As the Issuer is not registered in Ireland, stamp duty will not arise on a document effecting a transfer of the Notes so long as the relevant instrument of transfer:

- (a) does not relate to any immovable property in Ireland; or
- (b) does not relate to stocks or marketable Notes of a company registered in Ireland.

## **13. ITALY**

*The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which could be made on a retroactive basis. The following description does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.*

*Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.*

### ***Tax treatment of Notes***

Legislative Decree no. 239 of 1 April 1996, as subsequently amended (**Decree 239**) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, inter alia, by non-Italian resident issuers. For this purpose, bonds and debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption, an amount

not lower than their nominal value and which do not grant the holder any direct or indirect right of participation to (or of control of) to management of the issuer. Article 6 of Law no. 130 of 30 April 1999, has assimilated securities issued by Italian securitisation vehicles to bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) for the purpose of the tax regime set out by Decree 239, Ministerial Circular no. 213 of 24 November 2000 (**Circular 213**) and Ministerial Resolution no. 53 of 3 May 2011 (**Resolution 53**) stated that securities issued by non-Italian securitisation vehicles, under certain conditions, may fall within the category of foreign bonds covered by the Decree 239. For this purpose, the Notes are subject to the provisions of Decree 239 to the extent they satisfy the requirements provided by the Resolution 53.

Where the Italian resident holder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito regime* – see “Capital Gains Tax” below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as *imposta sostitutiva*, levied at the rate of 26 per cent.. In the event that the holders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident holder of the Notes is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant holder's income tax return and are therefore subject to Italian corporate taxation (**IRES**) (and, in certain circumstances, depending on the “status” of the holder, also to Regional tax on productive activities - **IRAP**).

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Revenue Agency (*Agenzia delle Entrate*) through Circular No. 47/E of 8 August 2003 and Circular No. 11/E of 28 March 2012, payments of interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-*bis* of Law No. 86 of 25 January 1994 and Italian real estate investment companies with fixed capital (the **Real Estate SICAFs**) are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund or a Real Estate SICAF.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund, a SICAF (an Italian investment company with fixed share capital) or a SICAV (an Italian investment company with variable capital) established in Italy and either (i) the fund, the SICAF or the SICAV or their manager is subject to the supervision of a regulatory authority (the **Fund**) and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such result, but a withholding tax of 26 per cent. (the **Collective Investment Fund Tax**) will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders.

Where an Italian resident holder of a Note is a pension fund (subject to the regime provided for by Article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 20 per cent substitute tax (with certain adjustments for the fiscal year 2014 as provided by Law No. 190 of 23 December 2014 (the **Italian Finance Act**)).

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a holder of a Note.

### ***Non-Italian Resident holders***

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident holder of the Notes on interest or premium relating to the Notes provided that, if the Notes are deposited with an Intermediary in Italy, the non-Italian resident holder of the Notes declares itself to be a non-Italian resident according to Italian tax regulations.

### ***Atypical securities***

Interest payments relating to the Notes that are neither deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) for the purpose of the tax regime set out by Decree 239, Circular 213 and Resolution 53 may be subject to a withholding tax, levied at the rate of 26 per cent.

The withholding tax mentioned above does not apply to payments made to a non-Italian resident holder and to an Italian resident holder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

### ***Capital Gains Tax***

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the “status” of the holder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident holder of the Notes is an individual not holding the Notes in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such holder of the Notes from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 26 per cent.. Holders of the Notes may set off losses with gains. .. Under some conditions and limitations, Noteholders may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the “tax declaration” regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individuals holding the Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the *risparmio amministrato* regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being punctually made in writing by the relevant holder of the Notes. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount

from the proceeds to be credited to the holder of the Notes or using funds provided by the holder of the Notes for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the holder of the Notes is not required to declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called “*risparmio gestito*” regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 26 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against any increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the holder of the Notes is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a holder of the Notes which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a holder of the Notes which is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 20 per cent. substitute tax (with certain adjustments for the fiscal year 2014 as provided by the Italian Finance Act).

Under the current regime provided by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Revenue Agency (*Agenzia delle Entrate*) through Circular No. 47/E of 8 August 2003 and Circular No. 11/E of 28 March 2012, capital gains realised from the disposal of the Notes by Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-*bis* of Law No. 86 of 25 January 1994 and Real Estate SICAFs are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund or a Real Estate SICAF.

Capital gains realised by non-Italian resident holders from the sale and redemption of the Notes are not subject to Italian taxation, provided that the Notes are (i) traded on regulated markets, or (ii) if not traded, are held outside Italy.

### ***Inheritance and gift taxes***

Pursuant to Law Decree No. 262 of 3 October 2006 converted into Law No. 286 of 24 November 2006, as subsequently amended, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- a. transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;
- b. transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and

- c. any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above on the value exceeding, for each beneficiary, €1,500,000.

### ***Transfer tax***

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarised deeds are subject to fixed registration tax at rate of €200; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

### ***Stamp duty***

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (**Decree 201**), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and, for taxpayers different from individuals, cannot exceed €14,000. This stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

### ***Wealth Tax on Notes deposited abroad***

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding Notes outside the Italian territory are required to pay an additional tax at a rate of 0.2 per cent. This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

### ***Italian Financial Transaction Tax (IFTT)***

Italian shares and other participating instruments, as well as depositary receipts representing those shares and participating instruments irrespective of the relevant issuer (cumulatively referred to as **In-Scope Shares**), received by an Investor upon physical settlement of the Notes may be subject to a 0.2 per cent. IFTT calculated on the value of the shares or depositary receipts, as determined according to Article 4 of Ministerial Decree of 21 February 2013, as amended (the **IFTT Decree**).

Investors on derivative transactions or transferable securities and certain equity-linked notes mainly having as underlying or mainly linked to In-Scope Shares are subject to IFTT at a rate ranging between €0.01875 and €200 per counterparty, depending on the notional value of the relevant derivative transaction or transferable securities, calculated pursuant to Article 9 of the IFTT Decree. IFTT applies upon subscription, negotiation or modification of the derivative transactions or transferable securities. The tax rate may be reduced to a fifth if the transaction is executed on certain qualifying regulated markets or multilateral trading facilities.

### ***Tax monitoring obligations***

According to the Law Decree No. 167 of 28 June 1990, converted with amendments into Law No. 227 of 4 August 1990, as amended from time to time, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Presidential Decree No. 917 of 22 December 1986) resident in Italy for tax purposes, under certain conditions,



are required to report for tax monitoring purposes in their yearly income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return) the amount of investments directly or indirectly held abroad. The disclosure requirements are not due if the foreign financial investments (including the Notes) are held through an Italian resident intermediary or are only composed by deposits and/or bank accounts having an aggregate value not exceeding an €15,000 threshold throughout the year.

### **EU Savings Directive**

Under Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the **Amending Directive**) amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017 and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

#### *Implementation in Italy of the Savings Directive*

Italy has implemented the Savings Directive through Legislative Decree No. 84 of 18 April, 2005 (**Decree 84**). Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian tax authorities to the competent authorities of the State of residence of the beneficial owner.

### **The proposed European financial transactions tax (FTT)**

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## **14. LIECHTENSTEIN**

### **1. Savings Directive:**

Under the Treaty on Taxation of Savings Income ("Zinsbesteuerungsabkommen") between the Principality of Liechtenstein and the European Union of 7 December 2004, Liechtenstein was obliged to apply measures equivalent to those set out in the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments. According to the Act on Taxation of Savings Income ("Zinsbesteuerungsgesetz", "ZBStG") implementing the above mentioned Treaty, which came into force effective July 1, 2005, interest payments made by a paying agent established in Liechtenstein to beneficial owners residing in a Member State of the EU (or in certain dependent or associated territories) are subject to a withholding tax of 35 % if no exception as provided in the law applies. The beneficial owner has the chance to avoid the retention of the withholding tax by means of expressly authorising their Liechtenstein paying agent to report the interest payments to the competent authority of the home country of the beneficial owner state (Art. 7 ZBStG).

### **2. Taxation in the Principality of Liechtenstein:**

Individuals having their domicile or habitual abode in Liechtenstein are subject to unrestricted tax liability which encompasses their entire wealth (wealth tax) and entire income (personal income tax) (Art. 6 para 1 Tax Act). The wealth tax includes all movable and immovable assets (Art. 9 para 1 Tax Act) whereby the market value of the assets at the beginning of the year or at the beginning of the period of tax liability is used in order to determine the taxable wealth. For example, securities with a quotation are valued according to the quotation (Art. 12 para 1 c) Tax Act) and, in general, securities without quotation as well as non-securitized rights and claims, including privileges whose value can be determined, shall be assessed according to market value, which generally shall not be set lower than nominal value, unless the taxpayer demonstrates that the nominal value does not correspond to the market value (Art. 12 para 1 d) Tax Act).

Art. 15 Tax Act contains the details for the acquisition, which is exempt from tax. Inter alia, according to Art 15 para 2n and 2o Tax Act, this is the case for dividends arising from participations and for capital gains arising from the sale or liquidation of participations in domestic or foreign legal entities.

Individuals whose domicile and habitual abode is not in Liechtenstein are subject to restricted tax liability with respect to their domestic wealth and domestic income (Art. 6 para 2 Tax Act). Domestic wealth encompasses real estate and permanent establishments situated in Liechtenstein (Art. 6 para 4 Tax Act).

Legal entities domiciled in Liechtenstein or having their actual place of management in Liechtenstein, are with their entire corporate income subject to unrestricted tax liability (Art. 44 para 1 Tax Act). Legal entities neither having their domicile nor their actual place of management in Liechtenstein are subject to restricted tax liability with regard to their domestic corporate income (Art. 44 para 2 Tax Act).

Again, amongst other explicitly tax-exempt types of income (Art 48 Tax Act) dividends arising from participations in domestic or foreign legal entities and capital gains from the sale or liquidation of participations in domestic or foreign legal entities (there is no minimum holding requirement) are not included in the taxable net corporate income. "Dividends" include ordinary dividends, profit shares, extraordinary dividends, bonus payouts and irregular distributions of profits and distributions of reserves.

Legal entities, taxable in Liechtenstein are on the basis of the standard taxation rules, subject to ordinary corporate income tax on all their net income at a standard rate of 12.5 percent per year.

However legal entities with a core activity in the asset management, which do not perform any commercial activities, may be assigned the status of a Private Asset Structure (PAS) if the requirements as stipulated in Art 64 Tax Act are met. Legal entities being granted the status of a PAS are subject to the minimum corporate tax in the amount of CHF 1,200.00 per year only and the regular 12.5% corporate income flat tax does not apply. PAS do not have to file tax returns.

## 15. MALTA

The following information is of a general nature only and is based on the laws presently in force in Malta, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Maltese income tax law issues in respect of non-Maltese residents and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Malta tax law, to which they may be subject.

Any reference in the present section to income tax law concepts (including residence law concepts) refers to Maltese tax law and/or concepts only.

### **Non- Maltese Residents**

Non-Maltese residents are exempt from Maltese tax in respect of any profits or capital gains derived from the transfer (including redemption, liquidation or cancellation) of the Notes provided that:

- (a) the Company does not own, directly or indirectly, any immovable property in Malta; and
- (b) the beneficial owner of the gain or profit is not resident in Malta and is not owned and controlled by, directly or indirectly, nor acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta

Non-Maltese residents are also exempt from Maltese tax in respect of any interest, discount or premium in respect of the Notes provided that:

- (a) the non-Maltese resident does not carry on any trade or business in Malta through a permanent establishment to which the debt claim giving rise to the interest, discount or premium, is effectively connected; and
- (b) the beneficial owner of the interest, discount or premium is not resident in Malta and is not owned and controlled by, directly or indirectly, nor acts on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta

The above exemptions may be subject to requisite declarations/evidence being provided to the Company in terms of law so that the Company is exempted from withholding taxes.

## 16. POLAND

### **General Information**

*The following is a discussion of certain Polish tax considerations relevant to an investor resident in Poland or which is otherwise subject to Polish taxation. This statement should not be deemed to be tax advice. It is based on Polish tax laws and, as its interpretation refers to the position as at the date of this Prospectus, it may thus be subject to change including a change with retroactive effect. Any change may negatively affect the tax treatment, as described below. This description does not purport to be complete with respect to all tax information that may be relevant to investors due to their personal circumstances. Prospective purchasers of the Notes are advised to consult their professional tax advisor regarding the tax consequences of the purchase, ownership, disposal, redemption or transfer without consideration of any Notes. The information provided below does not cover tax consequences concerning income tax exemptions applicable to specific taxable items or specific taxpayers (eg domestic or foreign investment funds).*

*The reference to "interest" as well as to any other terms in the paragraphs below means "interest" or any other term as understood in Polish tax law.*

### **Issuer's withholding obligations**

The Issuer, which is a non-Polish entity, is not liable to withhold Polish withholding tax.

### **Polish tax resident individuals (natural persons)**

A Polish tax resident individual is a natural person who has his/her centre of personal or business interests located in Poland or who stays in Poland for longer than 183 days in a year, unless any relevant tax treaty dictates otherwise.

#### Interest income

Under Art. 30a.7 of the Personal Income Tax Act (the Act on Personal Income Tax dated 26 July 1991, as amended (consolidated text, J.L. 2012, No.0, item 361, amended), the **PIT Act**), interest income does not cumulate with general income subject to the progressive tax rate, but under Art. 30a.1.2 of the PIT Act it is subject to 19 per cent. flat rate tax.

Under Art. 41.4 of the PIT Act, the interest payer, other than an individual not acting within the scope of his/her business activity, should withhold the 19 per cent. Polish tax upon any interest payment. Under Art. 41.4d of the PIT Act, the entities operating securities accounts for the individuals, acting as tax remitters, should withhold this interest income if such interest income (revenue) has been earned in the territory of Poland and is connected with securities registered in the said accounts, and the interest payment to the individual (the taxpayer) is made through said entities. There are no regulations on where interest income is earned. In practice, unless specific circumstances indicate otherwise, it is considered that interest income is earned at the jurisdiction of the debtor. Although this is not expressly regulated in the tax law, in practice, the obligation to withhold Polish income tax applies only to Polish interest payers and not foreign payers. Consequently, no Polish withholding tax should be withheld on interest payment made from securities issued by a foreign, i.e. not Polish, company.

Separate, specific rules apply to interest income on securities held on Polish omnibus accounts. Under Article 41.10 of the PIT Act, insofar as securities registered in omnibus accounts are concerned, the entities operating omnibus accounts through which the amounts due are paid are liable to withhold the flat-rate income tax on interest income. The tax is charged on the day of placing the amounts due at the disposal of the omnibus account holder.

Pursuant to Article 30a.2a of the PIT Act, with respect to income (revenue) from interest transferred to taxpayers holding rights attached to securities registered in Polish omnibus accounts whose identity has not been revealed to the tax remitter in accordance with the Act on Trading in Financial Instruments, a 19% flat-rate tax is withheld by the tax remitter (under art. 41.10 of the PIT Act the entity operating the omnibus account) from the aggregate income (revenue) released for the benefit of all such taxpayers through the omnibus account holder.

Under Article 45.3b of the PIT Act, if the tax is not withheld, the individual is obliged to settle the tax himself/herself by 30 April of the following year.

Under Article 30a.9 of the PIT Act, withholding tax incurred outside Poland (including countries which have not concluded a tax treaty with Poland), up to an amount equal to the tax paid abroad, but not higher than 19 per cent. tax on the interest amount, could be deducted from the Polish tax liability. Double tax treaties can provide other methods of withholding tax settlements.

#### Other income

Income other than interest derived by a Polish tax resident individual from financial instruments held as non-business assets, qualify as capital income according to Art. 17 of the PIT Act. This income does not cumulate with the general income subject to the progressive tax scale but is subject to a 19 per cent. flat rate tax. The costs of acquiring the Notes are recognised at the time the revenue is achieved. In principle, this income should be settled by the taxpayer by 30 April of the year following the year in which the income was earned. No tax or tax advances are withheld by the person making the payments.

#### Notes held as business assets

If an individual holds the securities as business assets, in principle, interest and capital gains income should be subject to tax in the same way as other business income. The tax, at 19 per cent. flat rate or the 18 per cent. to 32 per cent. progressive tax rate depending on the choice and meeting of certain conditions by the individual, should be settled by the individual himself/herself.

#### ***Polish tax resident corporate income taxpayers***

A Polish tax resident is a corporate income taxpayer having its registered office or place of management in Poland. Such entity is subject to income tax in respect of the securities (including any capital gains and on interest/discount), following the same principles as those which apply to any other income received from business activity. As a rule, for Polish income tax purposes interest is recognised as revenue on a cash basis, i.e. when it is received and not when it has accrued. In respect of capital gains, the cost of acquiring the securities will be recognised at the time the revenue from the disposal of securities for remuneration is achieved. The taxpayer itself (without the involvement of the tax remitter) settles tax on interest (discount) or capital gains on securities, which is aggregated with other income derived from business operations conducted by the taxpayer.

The appropriate tax rate will be the same as the tax rate applicable to business activity, i.e. 19 per cent. for a corporate income taxpayer.

#### ***Non-Polish tax residents: natural person or corporate income taxpayers***

A non-Polish tax resident individual is a natural person who does not have his/her centre of personal or business interests located in Poland and who does not stay in Poland for longer than 183 days in a year, unless any respective double tax treaty provides otherwise.

A non-Polish tax resident corporate income taxpayer is a corporate income taxpayer who does not have its registered office or place of management in Poland, unless any respective double tax treaty provides otherwise.

Non-Polish tax resident individuals and corporate income taxpayers are subject to Polish income tax only with respect to their income earned in Poland. There are no explicit regulations on where interest or capital gains or other income is earned. However, in practice it is considered that if securities are issued by a foreign entity, interest should not be considered as having been earned in Poland. In such case capital gains should neither be considered as arising in Poland unless the securities are sold on a stock exchange in Poland (the Warsaw Stock Exchange), in which case the tax authorities may consider the income as originating in Poland. If the latter is the case, however, most of the tax treaties concluded by Poland provide for a tax exemption with respect to Polish income tax on capital gains derived from Poland by a foreign tax resident. In order to benefit from a tax treaty, a foreign investor should present a relevant certificate of its tax residency.

Moreover, with respect to the interest payments, the relevant provisions of the EU Savings Directive may apply.

If a foreign recipient of income acts through a permanent establishment in Poland to which interest is related, as a matter of principle it should be treated in the same manner as a Polish tax resident.

### ***Tax on civil law transactions***

In light of Art. 1.1.1.a of the Tax on Civil Law Transactions Act (the Act on the Tax on Civil Law Transactions dated 9 September 2000, as amended (consolidated text, J.L. 2010, No.101, item 649, amended)), agreements for sale or exchange of assets or proprietary rights are subject to tax on civil law transactions. Such transactions are taxable if their subjects are:

- assets located in Poland or proprietary rights exercisable in Poland;
- assets located abroad or proprietary rights exercisable abroad if the acquirer's place of residence or registered office is located in Poland and the civil law transaction was carried out in Poland.

Notes should not be considered as rights exercisable in Poland.

Neither an issuance of Notes nor a redemption of Notes is subject to tax on civil law transactions.

Tax on the sale or exchange of Notes (which, as a rule are considered to be rights) is 1% of their market value. It is payable within 14 days after the sale or exchange agreement has been entered into. However, if such agreement has been entered into in notarial form, the tax due should be withheld and paid by the notary public. Tax on sale of Notes is payable by the entity acquiring the Notes. In the case of exchange agreements, tax on civil law transactions should be payable by both parties jointly and severally.

In practice, however, the majority of transactions such as selling the Notes on a regulated market (within the meaning of the Act on Trading in Financial Instruments) or to or with intermediation of investment firms or foreign investment firms, are tax-exempt.

### ***Remitter's liability***

Under Art. 30 of the Tax Code (the Tax Code dated 29 August 1997, as amended (consolidated text, J.L. 2012, item 749, amended)), a tax remitter failing to fulfil its duty to calculate, withhold or pay tax to a relevant tax authority is liable for the tax that has not been withheld or that has been withheld but not paid, up to the value of all its assets. The tax remitter is not liable if the specific provisions provide otherwise or if tax has not been withheld due to the taxpayer's fault. In such a case, the relevant tax authority will issue a decision concerning the taxpayer's liability.

## **17. ROMANIA**

The following information is a description of the most significant Romanian tax considerations relevant to the holders of Securities.

The description is based on the Romanian and EU laws, regulations and administrative procedures in effect at the date of this Prospectus and is not intended to represent a legal opinion or be a comprehensive analysis of all possible tax considerations that may be relevant for Romanian individuals and legal entities in relation to the Securities. This description is subject to any change in law and the interpretation and application thereof that may take effect after the date of this Prospectus and could be made with retroactive effect.

Prior to investing in Securities, potential investors should seek advice from their tax and financial advisors with respect to Romanian and/or EU tax regulations applicable in their specific case, including the applicability of double taxation treaties, pending or proposed changes in applicable tax laws as of the date of this Prospectus and any actual changes in applicable tax laws after such date.

Under Law No. 571/2003 approving the Fiscal Code as subsequently amended (the "Fiscal Code"), certain types of income received by residents from Romania are subject to taxation in Romania at the tax rates stipulated by the Fiscal Code. For the purposes of the Fiscal Code:

- a “legal entity established pursuant to European law” means any legal entity established in accordance with and by the mechanics contemplated by European regulations;
- “Romanian legal entity” means any legal entity established in accordance with Romanian law;
- a “resident individual” means any individual that meets at least one of the following conditions: (a) is domiciled in Romania, (b) has the centre of his vital interests (Romanian language: “centrul intereselor vitale”) in Romania, (c) is present in Romania for a period or several periods exceeding in aggregate 183 days during any 12 consecutive months, and that period ends in the calendar year concerned, (d) is a Romanian citizen that works abroad as an officer or an employee of the State.
- By way of exception from the provisions (a) to (d) above, neither a foreign citizen enjoying diplomatic or consular regime within Romania, nor a foreign citizen who is an employee or officer of an international or intergovernmental organisation registered in Romania, nor a foreign citizen who is an officer or an employee of a foreign state in Romania, nor their family members will be deemed to be resident individuals in Romania; and
- a “resident” means any Romanian legal entity, any foreign legal entity which has its place of effective management in Romania, any legal entity having its registered office in Romania, incorporated according to European legislation and any resident individual.

## **Taxation of Romanian legal entities and legal entity established pursuant to European law holders of Securities**

### ***Taxation of capital gains***

Income received by resident legal entities as capital gains from the transfer of Notes, will be subject to corporate income tax (profit tax) at the rate of 16 per cent.

Capital gains obtained by resident individuals from the transfer of Notes will be subject to tax at the rate of 16 per cent. The income recipient is responsible for declaring and paying the tax in Romania on foreign sourced income, on an annual basis, i.e. there is no withholding at source of such tax and the Issuer does not assume any responsibility in relation thereto. If the income is taxed in the source state, foreign tax credit may be obtained in Romania, under the conditions presented below. However, should the provisions of the Double Tax Conventions (“DTC”) apply, the taxation right of income is usually allocated to the source state (i.e. Romania), according to the article *Capital Gains* from DTC. Considering the above, it is recommendable that the tax implications in the source state are confirmed with a tax advisor on a case-by-case basis.

### ***Foreign tax credit***

A tax credit may be obtained in Romania by a ***Romanian legal entity*** for taxes paid abroad by Romanian legal entities and resident individuals. The deduction of foreign paid tax allowed in a fiscal year may not exceed the amount of tax attributable to the foreign income computed by applying the corporate income tax rate to the foreign taxable income. The foreign tax credit may only be used in relation to the year in which the foreign tax is paid. The foreign paid tax may be deducted from the corporate income tax due in Romania if the provisions of the tax treaty concluded between Romania and the foreign country are applicable and only upon the submission of a proof of foreign paid taxes.

According to Fiscal Code, ***resident individuals*** who, for the same income and during the same period, are taxed in Romania as well as abroad are entitled to deduct from the income tax due in Romania, the tax paid abroad (ordinary tax credit), if the foreign tax:

- was paid in a country with which Romania has concluded a tax treaty;

- is of the same nature as the Romanian tax; and
- was withheld or paid automatically to the foreign tax authorities (supporting documentation is required in this respect).

Such tax credit, however, cannot exceed the tax due in Romania. There is no unilateral relief in a non-treaty situation. Provided that a certificate of fiscal residence is made available, the provisions of a relevant tax treaty for the avoidance of double taxation may be applied in respect of the tax credit.

## **18. SLOVAKIA**

The information set out below is a description of certain material Slovak tax consequences of the acquisition, holding, sale, assignment and redemption of the Notes and it does not purport to be a complete analysis of all Slovak tax considerations relating to the Notes that may be relevant to a decision to purchase the Notes. This description does not take into account or discuss the tax laws of any country other than the Slovak Republic nor does it take into account the individual circumstances, financial situation or investment objectives of an investor in the Notes.

This description is based on the tax laws of the Slovak Republic as in effect on the date of this Prospectus and their prevailing interpretations available on or before such date. All of the foregoing is subject to change, which could apply retroactively and could affect the continued validity of this summary. With regard to certain types of notes neither official statements of the tax authorities nor court decisions exist and it is not clear how these notes will be treated.

Holders of the Notes should consult their own tax advisors as to the consequences under the tax laws of the country in which they are resident for tax purposes and the tax laws of the Slovak Republic concerning the acquisition, holding, sale, assignment and redemption of the Notes and receiving payments of interest, principal and/or other payments under the Notes, including, in particular, the application to their own situation of the tax considerations discussed below as well as the application of state, local, foreign or other tax laws.

Individuals and legal entities who are tax residents in the Slovak Republic are subject to income taxation (personal income tax or corporate income tax) on their worldwide income, regardless of its source, including interests from the Notes, redemption of Notes and capital gains from the sale of the Notes. "Income" shall mean income both in cash and in kind (even if obtained through an exchange), which has been attributed to the value, which is usual in the place and the time of performance or consumption, taking into account its type and quality, and, where appropriate, its condition and grade of depreciation, unless otherwise provided by applicable legislation.

Taxable income from the Notes derived by individuals is taxed at a tax rate of 19% for that part of the annual tax base up to the amount of 176.8 times subsistence income and 25% for that part of the annual tax base which exceeds this amount. Income from the sale of the Notes derived by individuals decreased by expenses may be exempt from income tax up to the amount of 500 EUR in one tax period. Taxable income from the Notes derived by individuals may be subject to obligatory health insurance contributions due in Slovakia. It should be noted that the above information on tax rate and exemption(s) applies for the tax period of the year 2015 and may be changed in the following tax periods.

Interests from the Notes and income received upon redemption of Notes representing income sourced outside the Slovak Republic received by the individuals who are tax residents in the Slovak Republic are taxable; the tax base could generally be reduced by mandatory health and social security insurance contributions payable from this income. Capital gain from the sale of the Notes derived by individuals who are tax residents in the Slovak Republic is taxable, the acquisition price of the Notes and related expenses including mandatory health and social security insurance contributions payable from this income are tax deductible. In general, any loss from sale of the Notes is not recognized for tax purposes.



Taxable income from the Notes derived by legal entities is taxed at a tax rate of 22%. Legal entities who are tax residents in the Slovak Republic which hold the Notes as their business assets pay corporate income tax from interest received and capital gain from the sale / redemption of the Notes within general tax base (determined in accordance with the accounting regulations). Loss from the sale of the Notes may not be recognized for tax purposes provided the taxpayer reported an overall loss from the sale of all notes sold in the respective tax period (exceptions apply).

The Slovak Republic does not apply withholding tax on income from bonds having its source in the Slovak Republic, unless the recipient is an individual Slovak tax resident, a non-profit organisation, National Property Fund or the National Bank of Slovakia. Income from the Notes may potentially be qualified as having its source in the Slovak Republic only in rare circumstances, e.g. if the Notes are kept in a securities account maintained by a financial agent who distributes the Notes on behalf of Issuer. In such case, the financial agent (but not the Issuer itself) could be potentially qualified as the payer of withholding tax in the Slovak Republic at the withholding tax rate of 19%.

Due to the repeated recent amendments to the income tax and health insurance contributions regimes, each individual and legal entity must evaluate obligations in this area which may arise under relevant legislation, including transitional provisions.

## 19. SLOVENIA

The following is a general description of certain Slovenian tax considerations relating to the Notes, based on the Issuer's understanding of the current law and its practice in Slovenia. It does not purport to be a complete analysis of all relevant tax considerations. Furthermore, it only relates to the position of investors who are beneficial owners of the Notes and the interest and may not apply to certain classes of investors. Prospective purchasers of the Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of the Republic of Slovenia of acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

### **Income tax treatment of resident investors**

#### ***Individuals (private portfolio)***

A resident individual (within the meaning of Sec 6 of the Slovenian Personal Income Tax Act (Zakon o dohodnini), hereinafter referred to as the Slovenian PITA) holding the Notes as private assets is subject to Slovenian income tax at the rate of 25 % on interest within the meaning of Sec 81 of the Slovenian PITA. Under Sec 81(2) of the Slovenian PITA, the notion of interest includes any compensation from a financial debt arrangement not being considered a return of principal, including compensation for risk or reduction of the principal due to inflation, unless otherwise provided by law, as well as discounts, bonuses, premiums and similar income from a financial debt arrangement. According to the Slovenian tax authorities, payments from financial derivatives (e.g. warrants) fall within the scope of Sec 81(2) of the Slovenian PITA.

In general, the income tax is collected by way of a withholding tax deduction, provided that the income is paid or collected by a domestic paying agent as defined in Sec 58 of the Slovenian Tax Procedure Act (Zakon o davčnem postopku). The tax so withheld is final. In case there is no domestic paying agent, the income tax is levied by way of the annual tax assessment, which the recipient has to submit himself.

In general the taxable base equals to the amount of interest received. The taxable base on interest resulting from a sale or redemption of discounted and zero coupon notes prior to or on maturity of the note shall be the interest calculated for the period from the date of acquisition to the date of sale or redemption of the note.

Any tax on interest withheld under the EU Savings Directive (EU withholding tax) may be, in general, credited against the Slovenian income tax on such income. Any excess amount of EU withholding tax may be, in general, refunded by the Slovenian tax authority.

Under Secs 32(1) and 96(2)(4) of the Slovenian PITA, which provide for a tax exemption for gains from sale of debt securities and derivatives, capital gains from the disposal of the Notes are not subject to income tax. However, capital gains from alienation of the Notes are subject to tax in accordance with the Act on tax on profit from disposal of derivatives (*Zakon o davku od dobička od odsvojitve izvedenih finančnih instrumentov*), which taxes capital gains derived from the alienation of derivatives (as defined in Sec 7 of the Financial Instruments Market Act (*Zakon o trgu finančnih instrumentov*)) and debt securities, except for discounted and zero coupon notes. In general, a capital gain is determined as the difference between the proceeds from the disposal or redemption (reduced by 1 % lump-sum costs) of the Notes and their acquisition costs (increased by 1 % lump-sum costs). The tax rate depends on the holding period of the Notes and amounts to

- 40 % in the first 12 months of the holding;
- 20 % in the following 4 years of holding;
- 15 % from the 6th year of the holding;
- 10 % from the 11th year of the holding; and
- 5 % from the 16th year of holding.

After 20 years of the holding, capital gains are not taxable. Capital losses from the disposal or redemption of the Notes held as private assets are, generally, recognized for tax purposes and reduce capital gains, which are taxable under the Act on tax on profit from disposal of derivatives and have been realized in the same tax period.

### ***Individuals (business portfolio)***

An individual holding the Notes as business assets is, generally, subject to progressive income tax rates up to 50 % on his yearly profit (difference between income and expenses). When calculating the profit, the interest from the Notes are considered as taxable income, unless the interest income is excluded from the business income under Sec 54 of the Slovenian PITA (which covers Notes issued in series and regulated within the Slovene Financial Instruments Market Act (*Zakon o trgu finančnih instrumentov*)). In the latter case, the investor is taxable in the same manner as individuals holding the Notes as private portfolio (25% flat rate taxation).

Capital gains from the disposal or redemption of the Notes held as business assets, and not excluded under Article 54 of Slovene PITA, are generally included into the yearly taxable base. Such taxable base is then subject to a progressive income tax rates of up to 50 %.

The exemption to this general rule applies, if the individual utilizes the "lump-sum" cost scheme, under which his yearly profit (amount of yearly turnover, diminished by 80% lump-sum costs) is taxed with a 20% flat rate. However, such a scheme may only be utilized by individuals, whose yearly turnover does not exceed EUR 50.000 (or EUR 100.000 if they employ at least one person full time for at least 5 months in a calendar year), provided that they have properly notified the Tax Authority in advance thereof.

### ***Corporations***

Interest and capital gains from the Notes held by a Slovenian resident corporation within the meaning of Sec 5 of the Slovenian Corporate Income Tax Act (*Zakon o davku od dohodkov pravnih oseb*) (hereinafter referred to as Slovenian CITA) are, in general, subject to Slovenian corporate

income tax (davek od dohodkov pravnih oseb) at the flat rate of 17 %. The income must be included in the annual tax return.

The companies, whose yearly turnover does not exceed EUR 50.000 EUR (or EUR 100.000 if they employ at least one person full time for at least 5 months in a calendar year) may also utilize the "lump-sum" cost scheme, under which their yearly profit (amount of yearly turnover, diminished by 80% lump-sum costs) is taxed with a 17% flat rate. The Tax Authority has to be properly notified in advance about utilizing such scheme.

### **Income tax treatment of non-resident investors**

Non-resident holders of the Notes are, in general, not subject to Slovenian income tax, provided that the Notes are not held as business assets of a Slovenian permanent establishment of the investor and the income derived from the Notes does not otherwise constitute Slovenian sourced income.

### **EU Savings Directive**

Under the provisions implementing the EU Directive on the taxation of savings income (2003/48/EC) as applicable from 1 July 2005, Slovenia provides the tax authorities of other EU Member states with details of payments of interests and other similar income paid by a person in Slovenia to an individual resident in another Member State.

### **Inheritance and gift tax**

Individuals and private law entities within the meaning of Sec 3 of the Slovenian Inheritance and Gift Tax Act (Zakon o davku na dediščine in darila) are subject to Slovenian inheritance and gift tax in case of a transfer of the Notes by way of inheritance or gift. In general, the tax base is the market value of the transferred property at the time, when the tax liability arises, decreased by debts, costs and charges born by the property. The tax rate depends on the value of the assets transferred and the relationship between the deceased and the heir or between the donator and the recipient. An exemption may apply to certain transfers, such as e.g. transfers between direct descendants and spouses and transfers of movable property of which the total value does not exceed EUR 5,000.

### **Other taxes**

No stamp duties, capital transfer tax or similar other taxes apply in Slovenia upon the purchase, sale or other disposal of the Notes.

## **20. SPAIN**

*The following discussion is of a general nature. It is based on the laws presently in force in Spain, though it is not intended to be, nor should it be construed to be, legal or tax advice. This section does not constitute a complete description of all the tax issues that may be relevant in making the decision to invest in the Notes or of all the tax consequences that may derive from the subscription, acquisition, holding, transfer, redemption or reimbursement of the Notes and does not purport to describe the tax consequences applicable to categories of investors subject to special tax rules. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, regional or local law in Spain, to which they may be subject.*

### **Individuals with Tax Residence in Spain**

#### *Personal Income Tax*

Personal Income Tax is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever the source is and wherever the relevant payer is established. Therefore any income that Spanish holders of the Notes may receive under the Notes will be subject to Spanish taxation.

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes obtained by individuals who are tax resident in Spain will be regarded as financial income for tax purposes (i.e. a return on investment derived from the transfer of own capital to third parties).

Both types of income will be included in the savings part of the taxable income subject to Personal Income Tax and will be taxed at the following tax rates: (i) for financial income up to €6,000: 19.5 per cent. as from 1 January 2015 and 19 per cent. as from 1 January 2016; (ii) for financial income from €6,001 to €50,000: 21.5 per cent. as from 1 January 2015 and 21 per cent. as from 1 January 2016; and (iii) for any amount in excess of €50,000: 23.5 per cent. as from 1 January 2015 and 23 per cent. as from 1 January 2016.

Spanish holders of the Notes shall compute the gross interest obtained in the savings part of the taxable base of the tax period in which it is due, including amounts withheld, if any.

Income arising on the disposal, redemption or reimbursement of the Notes will be calculated as the difference between: (a) their disposal, redemption or reimbursement value; and (b) their acquisition or subscription value. Costs and expenses effectively borne by the holder on the acquisition and transfer of the Notes may be taken into account for calculating the relevant taxable income, provided that they can be duly justified.

Likewise, expenses relating to the management and deposit of the Notes, if any, will be tax-deductible, excluding those pertaining to discretionary or individual portfolio management.

Losses that may derive from the transfer of the Notes cannot be offset if the investor acquires homogeneous Notes within the two-month period prior or subsequent to the transfer of the Notes, until he/she transfers such homogeneous Notes.

Additionally, tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Notes, if any.

#### *Wealth Tax*

In accordance with Law 22/2013, of 23 December and Law 36/2014, of 26 December, Wealth Tax has been temporarily restored for the tax periods 2014 and 2015. Wealth Tax is levied on the net worth of an individual's assets and rights. The marginal rates range between 0.2 per cent. and 2.5 per cent. and some reductions could apply. Individuals with tax residency in Spain who are under the obligation to pay Wealth Tax must take into account the value of the Notes which they hold as at 31 December each year, when calculating their Wealth Tax liabilities.

#### *Inheritance and Gift Tax*

Inheritance and Gift Tax is levied on individuals' heirs and donees resident in Spain for tax purposes. It is calculated taking into account several circumstances, such as the age and previous net worth of the heir or donee and the kinship with the deceased person or donor. The applicable tax rate currently ranges between 7.65 and 34 per cent. depending on the particular circumstances, although the final tax payable may increase up to 81.6 per cent. This is nevertheless subject to the specific rules passed by the relevant Spanish regions with respect to this tax.

### **Legal Entities with Tax Residence in Spain**

#### *Corporate Income Tax*

Both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes obtained by entities which are resident for tax purposes in Spain shall be computed as taxable income of the tax period in which they accrue.

The general tax rate for limited liability companies is 28 per cent. in year 2015 and 25 per cent from year 2016 onwards. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Notes, if any.

### **Individuals and legal entities with no Tax Residence in Spain**

A non-resident holder of Notes, who has a permanent establishment in Spain to which such Notes are effectively connected with, is subject to Spanish Non-Residents' Income Tax on any income under the Notes, including both interest periodically received and income arising on the disposal, redemption or reimbursement of the Notes. In general terms, the tax rules applicable to individuals and legal entities with no tax residence in Spain but acting through a permanent establishment in Spain are the same as those applicable to Corporate Income taxpayers (explained above).

### **Spanish withholding tax**

The Issuer will not be responsible for making any withholding on account of Spanish taxes, to the extent it is not resident in Spain. However, where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depositary of the Notes or intervenes as manager in the collection of any income under the Notes, such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the Notes. Currently, the withholding tax rate in Spain is 19.5 per cent. (it will be reduced to 19 per cent. as from 1 January 2016 onwards).

Amounts withheld in Spain, if any, can be credited against the final Spanish Personal Income Tax liability, in the case of Spanish tax resident individuals, or against final Spanish Corporate Income Tax liability, in the case of Spanish corporate, or against final Non-Residents' Income Tax, in the case of a Spanish permanent establishment of a non-resident holder of the Notes.

Furthermore, such financial institution may become obliged to comply with the formalities set out in the Regulations on Spanish Personal Income Tax (Royal Decree 439/2007, of 30 March) and Corporate Income Tax (Royal Decree 1777/2004, of 30 July) when intervening in the transfer or reimbursement of the Notes.

### **Indirect taxation**

The acquisition, transfer, redemption, reimbursement and exchange of the Notes will be exempt from Transfer Tax and Stamp Duty as well as Value Added Tax.

## **21. UNITED KINGDOM**

**The following applies only to persons who are the beneficial owners of Notes and is a description of the Issuer's understanding of current United Kingdom law and published HM Revenue and Customs (HMRC) practice relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of person (such as dealers) to whom special rules may apply. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.**

Payments on the Notes that do not have a United Kingdom source may be made without withholding on account of United Kingdom income tax.

HMRC has powers to obtain information and documents relating to the Notes, including in relation to issues of and other transactions in the Notes, interest, payments treated as interest and other

payments derived from the Notes. This may include details of the beneficial owners of the Notes, of the persons for whom the Notes are held and of the persons to whom payments derived from the Notes are or may be paid. Information may be obtained from a range of persons including persons who effect or are a party to such transactions on behalf of others, registrars and administrators of such transactions, the registered holders of the Notes, persons who make, receive or are entitled to receive payments derived from the Notes and persons by or through whom interest and payments treated as interest are paid or credited. Information obtained by HMRC may be provided to tax authorities in other jurisdictions.

## SUBSCRIPTION AND SALE

### 1. UNITED STATES OF AMERICA

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States of America (the **United States** or the **U.S.**) or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Notes may not be offered, sold or delivered (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons and any offer or sale of the Notes during the distribution compliance period will be subject to the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

- (a) In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### 2. CAYMAN ISLANDS

No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Notes unless the Issuer is listed on the Cayman Islands Stock Exchange.

### 3. PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE

In relation to each Member State of the European Economic Area other than a Public Offer Jurisdiction which has implemented the Prospectus Directive (each, a **Relevant Member State**), and with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) an offer of Notes which are the subject of the offering contemplated by this Prospectus cannot be made to the public in that Relevant Member State except that, with effect from and including the Relevant Implementation Date, an offer of such Notes to the public may be made in that Relevant Member State at any time:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Issuer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe

the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;

- the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Relevant Member State; and
- the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

#### 4. AUSTRIA

The Notes have not been and will not be offered, sold or publicly promoted or advertised in the Republic of Austria other than in compliance with the Austrian Capital Markets Act (*Kapitalmarktgesetz*), as amended, or any other laws applicable in the Republic of Austria governing the issue, offering and sale of securities.

According to the Austrian Capital Markets Act a prospectus is valid for a period of 12 months after publication for public offerings or admission to trading on a regulated market provided that the prospectus is completed by any supplements required pursuant to Sec 6 of the Austrian Capital Markets Act.

*For selling restrictions in respect of Austria, please see "Public Offer Selling Restriction under the Prospectus Directive" above, provided that any offer of Notes in Austria, made pursuant to Article 3(2) of the Prospectus Directive (as implemented in the Austrian Capital Markets Act) or otherwise, may require the Issuer to file with Oesterreichische Kontrollbank AG as soon as possible certain information relating to the applicable offer and the applicable Securities.*

#### 5. CROATIA

Public offering of securities in the Republic of Croatia and their admission to trading on the regulated market in the Republic of Croatia is possible under the following terms:

- a) a valid prospectus must be published;
- b) the prospectus must be approved by the Croatian Agency for Supervision of Financial Services (hereinafter: "Agency") or by the competent authority of the home Member State if the Republic of Croatia is a host Member State in which event the prospectus and the supplements thereto approved by the competent authority of the home Member State have the same effect as prospectus and any supplements thereto approved by the Agency in accordance with the Croatian Capital Market Act provided that the Agency and the European Securities and Markets Authority are notified about such approval and provided with the: i) prospectus approval certificate confirming that the prospectus has been prepared in accordance with the provisions of Directive 2003/71/EC; ii) copy of the approved prospectus; and iii) translation of the prospectus summary.

Public offering of securities without prior publication of the prospectus is permitted in the following cases:

1. an offer of securities addressed solely to qualified investors;
2. an offer of securities addressed to fewer than 150 natural or legal persons per Member State, other than qualified investors;
3. an offer of securities addressed to investors who shall pay for subscribed securities a minimum amount of EUR 100,000.00 per investor and for each particular offer;
4. an offer of securities whose denomination per unit amounts to at least EUR 100,000.00;
5. an offer of securities with a total consideration in the European Union of less than 100,000.00 which shall be calculated over a period of 12 months;



6. an offer of shares issued in substitution for shares of the same class already issued, if the issuing of such new shares does not involve any increase in the issued capital;
7. an offer of securities offered in connection with a takeover by means of an exchange offer, provided that a document is available containing information which is regarded by the competent authority as being equivalent to that of the prospectus;
8. an offer of securities allotted in connection with a merger or division, provided that a document is available containing information which is regarded by the competent authority as being equivalent to that of the prospectus, taking into account the requirements of the Community legislation;
9. an offer of shares:
  - 9.1. issued to the existing shareholders on the basis of increase of the share capital from the company's funds;
  - 9.2. otherwise offered or allotted to the existing shareholders free of charge or paid out as dividends to the existing shareholders if such shares are of the same class of shares in respect of which such dividends are paid, provided that a document is available containing the information about the number and nature of such shares and reasons for and details of such offer;
10. an offer of securities offered, allotted or to be allotted to the existing or former directors or employees by their employer or by an affiliated undertaking provided that the companies have their head office or registered office in the European Union and that a document is made available containing information on the number and nature of the securities and the reasons for and details of the offer;
11. an offer of securities addressed exclusively to investors who participate in the pre-bankruptcy proceedings in accordance with the financing and operational plan of the issuer, provided the plan or pre-bankruptcy proposal number, nature and other essential elements of such securities.
  - c) Sub-clause c) 10. shall also apply to a company established in third country (outside European Union) whose securities are admitted to trading either on a regulated market or on a third-country market provided that a document referred to in sub-clause c) 10. is available at least in a language customary in the sphere of international finance and provided that the European Commission at the request of the Agency or a competent authority of other Member State, has adopted an equivalence decision regarding the third-country market concerned.
  - d) any further offer of securities stated as exemption from the obligation to publish the prospectus in sub-clause c) 1. – 5 and 9. shall be deemed a separate offer and in respect of which the offeror is obliged to publish a prospectus pursuant to the Capital Market Act.
  - e) in case of public offering of securities through financial intermediaries, there is no obligation to publish a prospectus if final offer fulfils conditions of any of sub-clause c) 1. – 5.;
  - f) in the case of obligation to publish the prospectus referred to in sub-clauses d) and e) it is not necessary to publish a new prospectus as long as a valid prospectus for securities is available pursuant to clause b) above and the issuer or a person responsible for the preparation of such prospectus consents to its use for that purpose.
  - g) In the case of a public offer of securities exempted from the obligation to publish a prospectus in accordance with the above sub-clauses, the investment company and credit institutions must inform the issuer or request about the conducted categorisation of the investor with due regard to the regulations concerning personal data protection.
  - h) the issuer, the offeror or the person applying for admission to trading of securities on the regulated market in the Republic of Croatia must notify the Agency on the exercise of exemption to publish the prospectus at least three working days before the commencement of the public offer that will be performed

in the Republic of Croatia or the application for the admission to trading of securities on the regulated market.

Under the Croatian Capital Market Act, securities offer to the public or public offer means any communication in any form, by use of any means, containing sufficient information about the terms and conditions of the offer and the securities offered, which information is sufficient so as to enable an investor to pass decision on purchase or subscription of those securities. The definition also includes the placement of securities through financial intermediaries.

The qualified investors are clients having sufficient experience, knowledge and professional experience to make an independent investment decision and to estimate the risks connected therewith, in particular:

- 1) entities which are required to be authorised or regulated to operate in the financial markets:
  - a) investment firms
  - b) credit institutions
  - c) other authorised or regulated financial institutions
  - d) insurance companies
  - e) collective investment schemes and management companies of such schemes
  - f) management companies of pension funds and pension funds
  - g) pension insurance companies
  - h) commodity and commodity derivatives dealers
  - i) local companies
  - j) other institutional investors whose principal business activities are not listed under alineas a) to h) and are subject to approval or supervision of the operations on the financial markets;
- 2) legal entities meeting two of the following size requirement in relation to the preceding financing year:
  - a) total assets amount to not less than HRK 150,000,000.00
  - b) net income in the minimum amount of HRK 300,000,000.00
  - c) capital in the amount of not less than 14,000,000.00.
- 3) national and regional governments, public bodies managing public debt, central banks, international and supranational institutions such as the World Bank, International Monetary Fund, European Central Bank, European Investment Bank and other seminal international organisations
- 4) other institutional investors whose main activity is to invest in financial instruments, which are not subject to authorisation and supervision of operations on financial market by the competent authorities, including entities formed for the purpose of securities of assets.

Under the Croatian Capital Market Act, the prospectus is valid for 12 months after its approval for offers to the public or admissions to trading on a regulated market provided the prospectus is supplemented with new information on issuer and securities to be offered to the public or listed on the regulated market.

## 6. CYPRUS

Since the present Prospectus has not been approved by the Securities and Exchange Commission of the Republic of Cyprus (**CySec**) under the Law 114(I) of 2005, as amended, (the **Prospectus Law**), no offer of Notes to the Public can be made in Cyprus unless:

The Prospectus, once approved by the competent regulatory authority in another Member State, is notified by such competent authority to the Cyprus Securities and Exchange Commission (Cysec) and the European Authority for Securities and Markets under the terms of section 32 of the Prospectus Law by way of an application of the competent authority to CySec, accompanied by a copy of the Prospectus and the relevant certificate of approval.

OR

In accordance with the exceptions set out in section 4 (3) of the Prospectus Law the Notes may only be offered or sold in Cyprus:

- (i) to qualified investors; or
- (ii) if such offer is subject to a minimum investment per investor of €100,000; and/or
- (iii) if such Notes are offered to less than 150 legal entities or persons who are not qualified investors.

## 7. FRANCE

Each of the Offeror and the Issuer has represented and agreed that it has only made and will only make an offer of Notes to the public (*offre au public*) in France following the notification of the approval of this Prospectus to the *Autorité des marchés financiers* (**AMF**) by the FMA, all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF.

## 8. GERMANY

The Notes have not been and will not be offered, sold or publicly promoted or advertised in the Federal Republic of Germany other than in compliance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*), as amended, or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

## 9. HUNGARY

In addition to the rules applicable to the European Economic Area as described above under "Public Offer Selling Restriction under the Prospectus Directive", in connection with any private placement in Hungary the Distribution Agent has represented and agreed that (i) all written documentation prepared in connection with a private placement in Hungary will clearly indicate that it is a private placement, (ii) it will ensure that all investors receive the same information which is material or necessary to the evaluation of the Issuer's current market, economic, financial and legal situation and its expected development, including that which was discussed in any personal consultation with an investor, and (iii) the following standard wording will be included in all such written communication:

"PURSUANT TO SECTION 18 OF ACT CXX OF 2001 ON THE CAPITAL MARKETS, THIS PROSPECTUS WAS PREPARED IN CONNECTION WITH A PRIVATE PLACEMENT IN HUNGARY."

## 10. IRELAND

No action may be taken with respect to the Notes in Ireland otherwise than in conformity with the provisions of (a) the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998, (b) the Companies Acts 2014 of Ireland, the Central Bank Acts 1942 to 2014 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989, (c) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) (the "Irish Prospectus Regulations") and any rules issued by the Central Bank of Ireland under Section 1363 of the Companies Act 2014, and (d) the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank of Ireland under Section 1370 of the Companies Act 2014.

## 11. ITALY

The Notes may be offered only in accordance to the applicable laws and regulations, and in particular pursuant to Articles 9 and 11 of the CONSOB Regulation No. 11971 of 14 May 1999, as amended (the **CONSOB Regulation**) and Articles 14, 17 and 18 of the Prospectus Directive.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under the above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Legislative Decree No. 58 of 24 February 1998 (the **Italian Financial Services Act**), CONSOB Regulation 16190 of 29 October 2007 and the Legislative Decree No. 385 of 1 September 1993 (the **Italian Banking Act**), all as amended;
  - (b) in compliance with Article 129 of the Italian Banking Act, as amended, and with the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the offering or issue of securities in the Republic of Italy;
- and
- (c) in accordance with any other applicable laws and regulations, including all relevant Italian securities, tax and exchange controls, laws and regulations and any limitations which may be imposed from time to time, *inter alia*, by CONSOB or the Bank of Italy.

## 12. LIECHTENSTEIN

The Liechtenstein Financial Market Authority (**FMA**) as the competent authority of the country of origin in line with the Prospectus Directive and as stipulated in Art. 29 of the Liechtenstein Prospectus Act ("*Wertpapierprospektgesetz*") (the **Prospectus Act**) approved this Prospectus in accordance with Art. 15 of the Prospectus Act. In this course the FMA did not entirely investigate the correctness of the information provided in this Prospectus, but as required by the law (Art. 3 sec. 1 lit. r Prospectus Act) verify the completeness, the coherence and the comprehensibility of this Prospectus. In compliance with Art. 17 Prospectus Act, the respective Prospectus subsequently was deposited with the FMA and has been published on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)) in accordance with Art. 17 (3) (c) of the Prospectus Act.

In accordance with Art. 23 Prospectus Act the Issuer applied that the FMA provides the competent authorities of the Public Offer Jurisdictions with a confirmation that this Prospectus was approved in Liechtenstein in accordance with the applicable law. It is furthermore possible that the Issuer requests the FMA in the future to send such a confirmation to the competent authorities of other Host Member States as well.

### **13. MALTA**

The Notes may be offered in Malta only if this Prospectus has been passported into Malta in accordance with the provisions of Part VI of Part A of the Second Schedule to the Companies Act, which would require the Liechtenstein Financial Market Authority to provide the Maltese Registrar of Companies with a certificate of approval and a copy of the prospectus as approved, together with, where requested by the Registrar, a translation into English or Maltese of the summary of the Prospectus.

The certificate of approval shall consist of a statement (a) that the Prospectus has been drawn up in accordance with the Prospectus Directive; (b) that the prospectus has been approved, in accordance with the Prospectus Directive, by the Liechtenstein Financial Market Authority; and where applicable (c) of the reasons as to why the Liechtenstein Financial Market Authority authorised, in accordance with the Prospectus Directive, the omission from the prospectus of information which would otherwise have been included.

### **14. POLAND**

The public offering of Notes, which are the subject of the offering contemplated by this Prospectus, in Poland may be conducted solely in line and based on the Prospectus, and only if the Prospectus, together with the Polish translation of the summary of the Prospectus and other required documents, is provided to the Polish Financial Supervision Commission (*Komisja Nadzoru Finansowego*) and published. In all other circumstances, an offer of Notes which are the subject of the offering contemplated by this Prospectus can only be made in a way which does not constitute a public offering of securities in Poland, as defined by Art. 3 of the Act on Public Offerings, Conditions Governing the Introduction of Financial Instruments to Organised Trading and on Public Companies dated 23 July 2005 (as amended).

### **15. ROMANIA**

Until this Prospectus has been passported to Romania in accordance with all applicable laws:

- (a) This Prospectus and any document or advertisement in connection with the Notes may not be distributed or published in Romania, except in circumstances which (i) do not constitute a public offering of securities which requires the approval of a prospectus, public offer announcement or any other document in Romania or by Romanian authorities and (ii) comply with all applicable laws and regulations, including the Capital Markets Law No. 297/2004 (as amended), Regulation 1/2006 (as amended) on issuers and operations with securities, implementing norms issued or approved by the Romanian National Securities Commission, the Romanian Financial Supervisory Authority or any other competent Romanian authority and applicable EU legislation.
- (b) The Notes can be acquired by investors only in such a manner that no approval from the Romanian Financial Supervisory Authority or any other competent Romanian authority is needed.
- (c) The Notes may be offered in Romania on the basis of the exemptions from the obligation to prepare and publish a prospectus provided by paragraph (3)(a) of article 183 of the Capital Markets Law No. 297/2004 (as amended) and sub-paragraphs 1, 2 and/or 4 of paragraph (1) of article 15 of Regulation No. 1/2006 (as amended) on issuers and operations with securities.

### **16. SLOVAKIA**

The Notes may only be offered in the Slovak Republic in compliance with Act No. 566/2001 on securities and investment services, as amended, and other applicable Slovak laws.

## **17. SLOVENIA**

In addition to the rules applicable to the European Economic Area as described above under "*Public Offer Selling Restriction under the Prospectus Directive*", each of the Offeror and the Issuer has represented and agreed that (i) it has only made and will only make an offer of Notes to the public in Slovenia following the notification of the approval of this Prospectus to the Slovenian *Agencija za trg vrednostnih papirjev* by the FMA and in compliance with the Slovenian *Zakon o trgu vrednostnih papirjev (ZTVP)*, especially articles 73 to 80 and 85 to 87, as amended or substituted, and any other laws applicable in the Republic of Slovenia governing the issue, offering and sale of securities, and that (ii) any private placement in Slovenia has only been made and will only be made in compliance with the Slovenian *Zakon o trgu vrednostnih papirjev (ZTVP)*, as amended or substituted, and any other laws applicable in the Republic of Slovenia governing the issue, offering and sale of securities.

## **18. SPAIN**

In addition to the rules applicable to the European Economic Area as stated above under "Public Offer Selling Restriction under the Prospectus Directive", when the offer is addressed to retail investors in the Kingdom of Spain, any offer sale or delivery of the Notes must be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Kingdom of Spain in accordance with Law 24/1988, of 28 July, on the Spanish Securities Market.

## **19. UNITED KINGDOM**

Each dealer has represented and agreed, and each further dealer appointed under the Prospectus will be required to represent and agree, that:

- (a) in relation to any Securities which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom; and
- (c) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

## OFFER TO THE PUBLIC

The Issuer has requested or will request that the FMA provides to the competent authority in each of the Public Offer Jurisdictions a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive. Upon provision of such certificate, an offer of the Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in the Public Offer Jurisdictions during the period set out in section 1 below. The Notes may only be offered or sold in any jurisdictions (including, without limitation, the Public Offer Jurisdictions), in accordance with the requirements of the relevant securities laws and regulations applicable in such jurisdictions.

### 1. OFFER PERIOD

The **Offer Period** will start on 30 September 2015 and finish on 29 September 2016.

The Issuer reserves the right for any reason to close the Offer Period early. Notice of the early closure of the Offer Period will be made to investors by means of a notice published on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)). The Issuer will also regularly inform the Noteholders during the Offer Period about the number of Notes sold during such Offer Period to investors by publishing the relevant information on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)). The Issuer will notify the FMA of the result of the offering of the Notes at the end of the Offer Period.

### 2. PRICE DURING THE OFFER PERIOD

During the Offer Period, the Issuer will offer and sell each Note at the Subscription Price (as defined for each of the Bearer Notes and the Registered Notes in the relevant Conditions). The Subscription Price in respect of the Bearer Notes and the Registered Notes is published on each Business Day (as defined in the Conditions) on the Issuer's website ([www.timberland-securities.com](http://www.timberland-securities.com)) and sent to the FMA in accordance with article 14(2) of the Prospectus Act.

The Subscription Price is composed of (i) the Adjusted Nominal Value of a Note which is calculated daily by the Calculation Agent by reference to the net asset value of the Underlying and (ii) the Upfront Fee which is a one-off fee of up to 5 *per cent.* of the Adjusted Nominal Value (all relevant terms as defined in the Conditions).

### 3. CONDITIONS OF THE OFFER

The Issuer reserves the right to withdraw the offer of Notes for any reason at any time prior to the end of the Offer Period. For the avoidance of doubt, if any application has been made by a potential investor to purchase the Notes and the Issuer exercises the right to withdraw the offer, each such potential investor shall not be entitled to subscribe for or otherwise purchase any Notes. Notice of such withdrawal or cancellation of the issuance of the Notes will be made to investors by means of a notice published on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)).

The Offer of the Notes will be made through different communication channels including public announcements, advertisements, mailing of quarterly reports or newsletters to existing or future investors, marketing activities in connection with coordinated advertising brochures and other printed matter.

### 4. THE TIME PERIOD DURING WHICH THE OFFER OF THE NOTES WILL BE OPEN AND DESCRIPTION OF THE APPLICATION PROCESS:

The offer of the Notes will be open during the Offer Period. Applications for the purchase of Notes can be made to the Issuer with a copy to the Distribution Agent at its address at Aragon House, St. George's Park, St. Julian's STJ 3140, Malta. Amendments to the Offer Period and the application

process, if any, will be notified to investors by means of a notice published on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)).

**5. DETAILS OF THE MINIMUM AND/OR MAXIMUM AMOUNT OF APPLICATION:**

There is no minimum allocation of Notes per investor. The maximum allocation of Notes will be subject only to availability at the time of the application.

There are no pre-identified allotment criteria. The Issuer will adopt allotment criteria that ensure equal treatment of prospective investors and the Issuer or the Distribution Agent will notify each applicant of the amount of Notes allotted. All the Notes requested during the Offer Period will be assigned up to the maximum amount of the offer.

**6. DETAILS OF THE METHOD FOR PAYING UP AND DELIVERING THE NOTES**

The Notes will be sold against payment of the Subscription Price to the Issuer or to any agent designated by the Issuer as described under the section “*Subscription and Sale*” of this Prospectus. Each investor will be notified of the settlement arrangements in respect of the Notes at the time of such investor's application.

**7. MANNER AND DATE IN WHICH RESULTS OF THE OFFER ARE TO BE MADE PUBLIC**

The Issuer will also regularly inform the Noteholders during the Offer Period about the number of Notes sold during such Offer Period to investors by publishing the relevant information on the website of the Issuer ([www.timberland-securities.com](http://www.timberland-securities.com)).

**8. CATEGORIES OF POTENTIAL INVESTORS TO WHICH THE NOTES ARE OFFERED**

Offers of Notes may be made in each of the Public Offer Jurisdictions to any person during the Offer Period. In other EEA countries, offers during the Offer Period may only be made pursuant to an exemption from the obligation under the Prospectus Directive, as implemented in such countries, to publish a prospectus. Outside of the Offer Period, offers in all jurisdictions (including the Public Offer Jurisdictions) will only be made pursuant to an exemption from the obligation under the Prospectus Directive, as implemented in such countries, to publish a prospectus.

**9. DESCRIPTION OF POSSIBILITY TO REDUCE SUBSCRIPTIONS AND MANNER FOR REFUNDING EXCESS AMOUNT PAID BY APPLICANTS**

Not Applicable.



## GENERAL INFORMATION

### 1. AUTHORISATION

The issue of the Notes and the creation of the Portfolio was duly authorised by the resolutions of the board of directors of the Company during a meeting held on 27 August 2015.

### 2. ISSUE DATE

The first tranche of Notes was issued on 27 August 2015.

### 3. LISTING AND ADMISSION TO TRADING

The Registered Notes will not be listed or admitted to trading on any stock exchange.

Application may be made to the Luxembourg Stock Exchange (the **LuxSE**) for the Bearer Notes to be listed on the official list of the LuxSE and to be admitted to trading on the LuxSE's Euro MTF market. The Euro MTF market of the LuxSE is not a regulated market within the meaning of Directive 2004/39/EC on markets in financial instruments.

### 4. CLEARING SYSTEMS

The Bearer Notes have been accepted for clearance through Euroclear and Clearstream.

	ISIN	Common Code
Optimix A Bearer Notes	XS1280930873	128093087
Optimix B Bearer Notes	XS1280931095	128093109
Optimix C Bearer Notes	XS1280934354	128093435
Precious Metals Bearer Notes	XS1280939585	128093958
Currency Funds Bearer Notes	XS1280944072	128094407
Top-10 Bearer Notes	XS1280944825	128094482

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream is Clearstream Banking S.A., 42, avenue J.F. Kennedy, L-1855 Luxembourg.

No ISIN will be allocated to the Registered Notes.

### 5. DOCUMENTS AVAILABLE

During the life span of this Prospectus physical copies of the following documents may be inspected during usual business hours at the registered office of the Company:

- (a) the Company Articles;
- (b) the Timberland Investment Articles;
- (c) the Timberland Investment Financial Statements;

- (d) the Timberland Investment Audit Report; and
- (e) any future financial statements of the Company and Timberland Investment.

**6. SIGNIFICANT OR MATERIAL CHANGE**

There has been no significant change in the financial or trading position of the Company and no material adverse change in the financial position or prospects of the Issuer since its incorporation.

**7. LITIGATION AND ARBITRATION**

The Company was not engaged in any governmental, legal, arbitration, administrative or other proceedings (including any such proceedings which are pending or threatened of which the Company is aware) in the 12 months preceding the date of this document which are likely to have a material adverse effect upon the Company's financial position or profitability.

**8. STATUTORY AUDITOR**

The audit firm of the Company and specifically of the Portfolio is Ernst & Young S.A., having its registered office at 7, rue Gabriel Lippmann, Parc d'Activité Syrdall 2, L 5365 Munsbach and registered with the Luxembourg trade and companies register under number B47.771. The audit firm is a member of the Luxembourg Institute of Auditors (*Institut des réviseurs d'entreprises*).

**9. POST-ISSUANCE TRANSACTION INFORMATION**

The Issuer does not intend to provide any post-issuance transaction information in relation to the issue of the Notes, except if required by any applicable laws and regulations.

Signed on behalf of Timberland Securities SPC, acting in respect of the Portfolios



By: Mr Thomas Krämer

Duly authorised

**Issuer**

Timberland Securities SPC  
c/o MaplesFS Limited  
P.O. Box 1093  
Boundary Hall  
Cricket Square  
Grand Cayman KY1-1102  
Cayman Islands

**Timberland Investment**

Timberland Investment SA  
46A, avenue J.F. Kennedy  
L-1855 Luxembourg

**Calculation Agent**

Oaklet GmbH  
Bettinastrasse 61  
60325 Frankfurt am Main  
Germany

**Paying Agent, Issuer Account Bank**

Société Générale Bank & Trust S.A.  
11, avenue Emile Reuter  
L-2420 Luxembourg

**Collecting Bank**

Commerzbank AG  
Am Kaiserplatz  
D-60311 Frankfurt am Main

**Investment Advisor**

Timberland Fund Management Ltd.  
Aragon House, St. George`s Park,  
MT-St. Julian`s STJ 3140

**Registrar and Transfer Agent**

Alter Domus Fund Services (Malta) Limited  
Vision Exchange Building, Territorials Street,  
Mriehel BKR 3000, Malta

**Distribution Agent**

Timberland Invest Ltd.  
Aragon House, St. George`s Park,  
MT-St. Julian`s STJ 3140

**Arranger**

Timberland Securities Investment Ltd.  
Head Office, Aragon House, St. George`s Park,  
MT-St. Julian`s STJ 3140

**Legal advisor to the Issuer as to Luxembourg law**

Allen & Overy  
*Société en commandite simple*  
*(inscrite au barreau de Luxembourg)*  
33, avenue J.F. Kennedy  
1855 Luxembourg  
Grand Duchy of Luxembourg

**Legal advisor to the Issuer as to Cayman Islands law**

Maples and Calder  
P.O. Box 309  
Ugland House  
Grand Cayman KY1-1104, Cayman Islands