

INCOMETRIC FUND – GLOBAL ARROW

Investment objective and policy

The objective of the Sub-Fund is to invest directly in equity and fixed income with an opportunistic investment approach. The investment selection is based on quantitative criteria as well as qualitative ones. The Sub-Fund is actively managed without any reference to a benchmark.

Depending on market conditions, investments may be focused on one asset class and/or on one geographical area and/or one sector of economic activity and/or one currency only. The allocation will be made in order to maximize the profitability/risk ratio of the Sub-Fund and generate capital appreciation over time with no particular restrictions. It is intended to leave to the Investment Manager the needed flexibility in order to take advantage of the opportunities the markets offer.

The Sub-Fund will invest directly in equity and equity related securities, as well as in fixed income securities (including but not limited to: fixed-rate or floating securities, zero-coupon bonds and sovereign/government bonds). The Sub-Fund will not invest in High-Yield bonds, not rated bonds, defaulted bonds, Asset Backed Securities, and Contingent Convertibles (CoCos).

In case an eligible bond in the portfolio becomes High Yield, not rated, or defaulted, the Sub-Fund will take immediate steps to remove the positions from the portfolio, taking into account the best interest of the Sub-Fund's shareholders.

The Sub-Fund will not invest more than 30% of its assets in securities from Emerging Markets.

On an ancillary basis, in order to achieve the target exposure and in compliance with the Applicable Laws, the Sub-Fund may also use financial derivative instruments traded on a regulated market. In particular, Sub-Fund may use Exchange Traded Derivative ("ETDs") such as options and futures on stocks, stock indices and currencies.

For treasury purposes the Sub-Fund may also invest in liquid instruments according to the criteria of article 41(1) of the 2010 Law such as (but not limited to) money market instruments, money market funds, and bank deposits.

The Sub-Fund may hold ancillary liquid assets limited to bank deposits at sight with a maximum of 20% of the net assets of the Sub-Fund in order to cover current or exceptional payments, or for the time necessary to reinvest in eligible assets provided under article 41(1) of the Law of 2010 or for a period of time strictly necessary in case of unfavorable market conditions. Ancillary liquid assets do not include bank deposits, money market instruments, money market funds and other instruments that meet the criteria of article 41(1) of the 2010 Law.

In addition, the Sub Fund may also invest on an ancillary basis and up to maximum 10% of its net assets in units of eligible UCITS/UCIs according to Article 41 (1) e) of the 2010 Law.

The aforementioned investment strategy corresponds for the investors with a high investment risk profile.

The calculation methodology for the global exposure is the commitment approach.

Performance Fee Mechanism

The performance fee is calculated in respect of each performance period. A performance period is a calendar year starting on 1 January and ending on 31 December of each year. Any underperformance or loss previously incurred during the life of the Sub-Fund should be recovered before a Performance Fee becomes payable. The performance fee will be calculated separately per Class of Units.

The performance fee is payable yearly as at the end of a performance period on 31 December of each year. The percentage of the performance fee in respect of any Class of Units is indicated in the table below. The performance fee in respect of the Sub-Fund will be paid if the net asset value per Unit as at the end of performance period exceeds the “High Watermark”. The High Watermark is the greatest of (i) the highest net asset value per Unit at the end of a given year where a performance fee has been paid and (ii) the Initial Subscription Price.

An accrual in respect of the performance fee will be made on each Valuation Date if the condition referred to in the previous paragraph is met. An example of calculation is provided below.*

The performance fee is calculated on the basis of the Net Asset Value per Unit after deducting all expenses, fees (but not the performance fee) and adjusting for subscriptions, redemptions and distributions during the relevant performance period so that these will not affect the performance fee payable.

If the event that an investor redeems Units prior to the end of the performance period, any accrued but unpaid performance fee relating to those Units shall be paid to the Investment Manager or Investment Advisor at the end of the performance period.

If the Investment Management Agreement or Investment Advisory Agreement with an Investment Manager/Advisor, as the case may be, entitles to a performance fee is terminated before the end of any performance period, the performance fee in respect of such performance period will be calculated and paid as if the date of termination was the end of the relevant performance period.

* Example of calculation of performance fee of 9%:

- Beginning of the performance period: 01.01.2019;
- End of the performance period: 31.12.2019;

- NAV per unit at 01.01.2019: EUR 100;
- High watermark (HWM) at 01.01.2019: EUR 100 (initial subscription price).

For the purpose of this example, we assume the NAV increases only on 31.01.2019, 28.02.2019 and 31.12.2019 for ease of presentation. The performance fee accrual is reversed and recalculated for each NAV starting from the beginning of the performance period, thus ensuring there is no double accounting. In case the performance of the Sub-Fund for the period is negative, there will be no performance fee accrued. The HWM is the reference for the calculation of the performance. As the Sub-Fund net asset value (NAV) is calculated daily, the performance accrual, if any, is also calculated daily.

1. Example of first accrual at 31.01.2019:

- NAV per unit at 31.01.2019: EUR 105
- Performance fee accrual between 01.01.2019 and 31.01.2019: EUR 0.45 per unit $(105 - 100 \times 9\%)$.

2. Example of second accrual at 28.02.2019:

- NAV per unit at 28.02.2019: EUR 103
- Performance fee accrual between 01.01.2019 and 28.02.2019: EUR 0.27 per unit $(103 - 100 \times 9\%)$.

3. End of the performance period at 31.12.2019:

- NAV per unit at 31.12.2019: EUR 110;
- Performance fee accrual between 01.01.2019 and 31.12.2019: EUR 0.90 per unit $(110 - 100 \times 9\%)$;
- Units outstanding as of 31.12.2019: 1,000,000
- Total NAV as of 31.12.2019: EUR 110,000,000
- Performance fee paid on 31.12.2019: $1,000,000 \times \text{EUR } 0.90 = \text{EUR } 900,000$

At the end of the year on 31.12.2019, the final performance fee is calculated for the whole year. However, over the year, an accrual needs to be calculated for every NAV on a daily basis (except where the performance is negative). This ensures that investors pay a fair price when entering or exiting the Sub-Fund within the performance period.

<ul style="list-style-type: none"> • HWM (highest NAV where performance fee paid): EUR 110 – applicable from 01.01.2020 on. 	
Investment Manager	DIAGONAL ASSET MANAGEMENT SGIIC, S.A. ¹ Avenida Diagonal, 467, 2º 2ª. 08036, Barcelona, Spain
Investment Advisor	TREA ASSET MANAGEMENT S.G.I.I.C., S.A. ² Ortega y Gasset, 20. 28006, Madrid, Spain
Reference Currency	EUR
Valuation Day	Daily. If such day is not a Business Day in Luxembourg or falls within a period of suspension of determination of Net Asset Value, as described in the Section “Determination of the Net Asset Value of Units”, then the valuation day will be the following Business Day.
Classes of Units	Class A-EUR: reserved for retail and institutional investors denominated in EUR Class A-USD: reserved for retail and institutional investors denominated in USD Class I-EUR: reserved for institutional investors denominated in EUR
Categories of Units	Class A-EUR: accumulation of income Class A-USD: accumulation of income Class I-EUR: accumulation of income
Initial Subscription Day/Period	The initial subscription period will be from 1 st of December 2016 to 14 th of December 2016.

¹ The appointment of DIAGONAL ASSET MANAGEMENT SGIIC, S.A. as investment manager of INCOMETRIC FUND - GLOBAL ARROW is subject to a notice period of one (1) month and will enter into force on 22 of June of 2024. Prior to this date the investment manager of the fund is: Singular Asset Management, calle Goya 11, 28001, Madrid, Spain.

² The appointment of TREA ASSET MANAGEMENT S.G.I.I.C., S.A. as investment advisor of INCOMETRIC FUND - GLOBAL ARROW is subject to a notice period of one (1) month and will enter into force on 22 of June of 2024.

	<p>The Net Asset Value will be calculated for the first time on the 15th of December 2016 (the Launch Date).</p> <p>If no subscription has been received on the initial subscription period, the launch date will be the next Business Day on which the first subscriptions for the Sub-Fund will have been accepted at the initial price. The Management Company at its own discretion may establish an extension of the initial subscription period and/or a change of the launch date.</p>
Initial Price	<p>Class A-EUR: EUR 100.00</p> <p>Class A-USD: USD 100.00</p> <p>Class I-EUR: EUR 100.00</p> <p>Price is determined with two (2) decimals.</p>
Minimum Initial Investment	<p>Class A-EUR: EUR 1,000.00</p> <p>Class A-USD: USD 1,000.00</p> <p>Class I-EUR: EUR 1,500,000.00</p>
Minimum Subsequent Investment	<p>Class A-EUR: EUR 1,000.00</p> <p>Class A-USD: USD 1,000.00</p> <p>Class I-EUR: EUR 1,000,000.00</p>
Subscription, redemption and conversion deadline	<p>11 a.m. Luxembourg time, one (1) Business Day prior to the applicable Valuation Day. Applications received by the registrar and transfer agent after this time will be deemed to have been received on the following Business Day.</p> <p>Subscription monies are due to be paid two (2) Business Days following the Valuation Day.</p> <p>Redemption monies are due to be paid three (3) Business Days following the Valuation Day.</p>
Subscription Commission	<p>Class A-EUR: Up to 3% of the Net Asset Value per Share</p> <p>Class A-USD: Up to 3% of the Net Asset Value per Share</p>

	<p>Class I-EUR: None</p> <p>The Subscription Commission may be applied or may be waived, in whole or in part, at the discretion of the relevant Distributor and/or Management Company.</p> <p>The Subscription Commission (if any) will be paid to the Management Company or any other intermediaries involved in the distribution of Units.</p>
Redemption Commission	None
Conversion Commission	None
Management Fee*	<p>0.10% per annum out of the Sub-Fund total net assets A minimum of 8,000 EUR/year for the Sub-Fund is due as Management Fee according to the Management Company Services Agreement.</p> <p>Such fees are accrued on each Valuation Day and payable monthly in arrears.</p>
Investment Management Fees	<p>Class A-EUR: 0.40% per annum out of the Sub-Fund total net assets.</p> <p>Class A-USD: 0.40% per annum out of the Sub-Fund total net assets.</p> <p>Class I-EUR: 0.45% per annum out of the Sub-Fund total net assets.</p> <p>Such fees are accrued on each Valuation Day and payable monthly in arrears.</p>
Investment Advisory Fees	<p>0.30% per annum out of the Sub-Fund total net assets.</p> <p>Such fees are accrued on each Valuation day and payable monthly in arrears.</p>
Distribution Fee	<p>Class A-EUR: Up to 1% per annum out of the Sub-Fund total net assets.</p> <p>Class A-USD: Up to 1% per annum out of the Sub-Fund total net assets.</p> <p>Class I-EUR: No distribution fees.</p>

	Such fee is paid in favour of the Management Company, Investment Manager, distributors, in his role of placing agent, business introducers or any other intermediaries involved in the promotion, marketing and/or distribution of the Sub-Fund.
Performance fee	Class A: 8.50%. Class I: 8,50%.

* The maximum level of cumulated management fees that may be charged to both the Sub-Fund and to the UCITS and/or UCI in which it invests is 3.5%, it being understood that this percentage shall be disclosed in the annual report of the Fund (and the Prospectus, following art. 46.3 of Law of 2010).

Investors should note that rebates or retrocession paid by the underlying UCITs and/or UCIs shall be for the benefit of the Sub-Fund.