

## SELECTUM STOCK PICKING FUND

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### PART B - SPECIFIC INFORMATION

At the date of the publication of this prospectus the following Sub-Funds are available to the investors:

- I. *Selectum Belgium Fund*
- II. *Selectum Germany Fund*
- III. *Selectum Choice Of My Best Ideas Fund*

#### I. SELECTUM BELGIUM FUND

##### I. Investment Objective, Policy and Specific Risk factors of Selectum Belgium Fund (“the Sub-Fund”)

###### 1. Investment Objective

The Sub-Fund’s objective is to offer its shareholders a maximum increase of value in the medium term, i.e. with a 5-7 year horizon. In normal circumstances the Sub-Fund will not distribute dividends, but will accumulate profits.

The Sub-Fund intends to achieve its objective mainly by the active management of a portfolio of eligible financial assets. In accordance with the conditions and limits set out in Part A of the Prospectus, and in compliance with its investment policy as defined below, the eligible financial assets may consist of transferable securities, money market instruments, units of UCITS and/or UCIs, bank deposits and/or financial derivative instruments.

The Sub-Fund will adopt a bottom up research intensive investment approach, targeting those companies who have superior cash flow and return on investment characteristics. Proper evaluation of each security invested in is vital to ensure good long term performance. The Investment Manager of the Sub- Fund uses quantitative methods to identify potential investment opportunities and then engages in a vigorous process of analysis, background checking and interviews of the senior management of target companies before investing in the securities of these companies. Once an investment is made, the managers will hold ongoing meetings with senior management as well as use independent research to ensure the investment thesis is correct. The Sub-Fund will make no attempt to replicate some benchmark index and it is noted that performance of the Sub-Fund may vary significantly from indices from time to time. There is however no guarantee that this objective will be achieved.

###### 2. Investment Policy

The Sub-Fund will mainly invest in a diversified portfolio of equity and/or equity-related securities issued by companies listed on the official stock market in Belgium.

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It is understood that these equity and equity-related securities will qualify as transferable securities within the meaning (i) of the Article 41(1) of the Law of 2010, and (ii) of the Article 2 of the *Règlement grand-ducal* of 8 February 2008.

The Sub-fund may also invest in other UCITS and UCIs subject to the restrictions set forth under Part A of the Prospectus where the Investment Manager believes that investment in such schemes will enhance overall performance. However, the Sub-Fund will not invest more than 10% in units of UCITS or other UCIs. It should be noted that the investment in units of other UCITS and UCIs may entail a duplication of certain fees and expenses.

If the Sub-Fund invests in units of UCITS or UCIs managed by the Promoter's group or the Investment Manager, no subscription or redemption fee will be charged for investments by the Sub-Fund into other investment funds of the Promoter's group or the Investment Manager.

The remainder of the assets may be invested in any transferable securities, money market instruments or cash.

The Sub-Fund may also use financial derivative instruments for hedging and efficient portfolio management purposes. This use will be made in a manner not to materially alter the Sub-Fund's risk profile over what would be the case if financial derivative instruments were not used

The Sub-Fund will calculate its global exposure resulting from the use of financial derivative instruments on a commitment basis. On the basis of this approach, the positions on financial derivative instruments must be converted into equivalent positions on the underlying assets. The global exposure relating to financial derivative instruments is calculated taking into account the current value of the underlying assets, counterparty risk, foreseeable market movements and the time available to liquidate the positions. The Fund shall ensure that the global exposure of the Sub-Fund relating to financial derivative instruments does not exceed the total net assets of that Sub-Fund. The Sub-Fund's global exposure shall consequently not exceed 200% of its total net assets. In addition, this global exposure may not be increased by more than 10% by means of temporary borrowing, so that the Sub-Fund's overall risk exposure may not exceed 210% of its total net assets in any circumstances.

Notwithstanding the above provisions and if justified by exceptional market conditions and/or if the Investment Manager expects incoming bear markets, the Sub-Fund may invest up to 100% of its net assets in cash and cash equivalents, term deposits, debt securities and money market instruments dealt in on a Regulated Market and whose maturity does not exceed 12 months, monetary UCITS and UCIs. In general terms, the Sub-Fund will comply with the investment restrictions and the principle of risk spreading set forth under Part A of the Prospectus. There is no restriction so as to the currency of these securities. Term deposits and liquid assets may not exceed 49% of the Sub-Fund's net assets; term deposits and liquid assets held by any counterparty including the Custodian may not exceed 20% of the Sub-Fund's net assets.

### **3. Investment Restrictions**

The Sub-Fund is subject to the investment restrictions set out in Part A of the Prospectus under chapter I, section B and C. In addition, the Sub-Fund may use techniques and instruments as set out under chapter I, section D in Part A of the Prospectus.

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The Sub-Fund shall not invest more than 10% of its assets in units of UCITS or other UCIs.

The investment restrictions may not be complied with during a transitional period of 6 months from the date on which the Sub-Fund has been authorized, provided that the Sub-Fund will endeavour to ensure, at all times, an appropriate level of diversification of risk within the portfolio of the Sub-Fund.

### **4. Risk Profile**

No guarantee can be given that the Sub-Fund's objective will be achieved and that investors will recover the amount of their initial investment.

#### **a) Equity Risks**

The equity markets may fluctuate significantly with prices rising and falling sharply, and this will have a direct impact on the Sub-Fund's Net Asset Value. This means that when the equity markets are extremely volatile the Sub-Fund's Net Asset Value may fluctuate substantially.

#### **b) Interest rate risk**

The value of investments in bonds and other debt securities may rise or fall sharply as interest rates fluctuate. As a general rule, the value of fixed-rate instruments will increase when interest rates fall, and fall when interest rates increase.

#### **c) Credit risk**

This risk is linked to the issuer's ability to settle its debts. If the rating of an issue or issuer is downgraded this may cause the value of the related debt securities in which the Sub-Fund has invested to fall.

The severity of the risk varies depending on the quality of the securities in the portfolio and whether they are "Investment Grade" (good quality) or "Below Investment Grade" (inferior quality).

#### **d) Liquidity risk**

When market conditions are unusual or a market is particularly thin the Sub-Fund may encounter difficulties in valuing and/or selling some of its assets, in particular to satisfy large-scale redemption requests.

#### **e) Currency risk**

The Sub-Fund holds assets denominated in currencies other than its reference currency. It may be affected by changes in exchange rates between the reference currency and these other currencies or by changes to exchange control regulations. If the currency in which an asset is denominated appreciates against the sub-fund's reference currency, the security's equivalent value in the reference currency will also appreciate. Conversely, a depreciation in the currency will result in a fall in the security's equivalent value in the reference currency.

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### f) **Counterparty credit risk**

The Sub-Fund may have credit exposure to counterparties by virtue of financial or derivative contracts held by the Sub-Fund. The Sub-Fund may also be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments. When a Sub-Fund invests in a security or other instrument which is guaranteed by a bank or other type of financial institution there can be no assurance that such guarantor will not itself be subject to credit difficulties, which may lead to the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments, or payments due on such securities or instruments. Notwithstanding any measures implemented by the Sub-Fund to reduce the aforementioned risks, there can be no assurance that counterparties will not default or that the Sub-Fund will not sustain losses on the transactions as a result.

### 5. **Profile of targeted investors**

The Sub-Fund is intended for retail and institutional investors. The recommended investment horizon is approximately between 5 and 7 years.

## II. **Generalities of the Sub-Fund**

### 1. **Classes of Shares**

The Sub-Fund offers three classes of Shares:

- Class F Founder Shares, reserved to institutional investors agreed by the Board of Directors;
- Class I Institutional Shares, intended for institutional investors;
- Class R Retail Shares, intended for individual investors with distribution's agent;

The difference between these classes of Shares relates to the status of the investors, the applicable minimum investment requirement and the applicable fees.

### a) **Applicable minimum investment**

<b>Class of Shares</b>	<b>Minimum initial investment</b>	<b>Minimum subsequent subscription</b>
Class F	EUR 250,000	EUR 250,000.
Class I	EUR 100,000.	EUR 100,000.
Class R	None	None

The Board of Directors may decide to waive these minimum amounts at its own discretion and at any time.

### b) **Distribution Policy**

No dividend is expected to be paid to the shareholders.

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### c) Form of Shares

Shares will be issued in dematerialised form or in registered form.

### d) ISIN Codes

	<b>ISIN Codes</b>
Class F	LU0652589275
Class I	LU0652589192
Class R	LU0652588970

## 2. Frequency of the Net Asset Value (NAV) calculation and Valuation Day

The Net Asset Value per Share of the Sub-Fund will be determined in Luxembourg under the overall responsibility of the Board of Directors on each Business Day ("Valuation Day") or, if such day is not a Business Day, on the next following Business Day.

## 3. Initial Subscription Period

The Sub-Fund may be subscribed from 28 September 2011 to 30 September 2011 not later than 4.30 p.m., Luxembourg time (the "Initial Subscription Period") at a subscription price of EUR 10 per Share for Class R Shares, and at subscription price of EUR 100,000 per Share for Class I Shares and EUR 250,000 for Class F Shares (the "Initial Subscription Price"). A subscription fee of 0.75% will be applicable to the initial Subscription Price and shall be reverted to the sales agents and authorised intermediaries.

Payment of the Initial Subscription Price must be effected in cash with the Custodian on 5 October 2011, at the latest.

The first Net Asset Value per share will be dated 6 October 2011.

## 4. Subsequent Subscriptions

After the Initial Subscription Period, the Subscription Price corresponds to the Net Asset Value on the relevant Valuation Day, which may be increased by a sales charge of a maximum of 0.75% of the Net Asset Value and which shall revert to the sales agents and authorised intermediaries.

In order to be dealt with on the basis of the Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Registrar and Transfer Agent in Luxembourg no later than 4.30 p.m., Luxembourg time, on the Business Day preceding such Valuation Day and must be accepted. Subscription forms received after this time and date will take effect on the next following Valuation Day.

Payment shall be received no later than 3 Business Days following the applicable Valuation Day for the account of the Fund referencing the Sub-Fund.

The corresponding Shares will be issued only upon receipt of the payment and upon the Net Asset Value is determined.

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### 5. Redemptions

The Redemption Price corresponds to the Net Asset Value per Share on the relevant Valuation Day.

In order to be dealt with on the basis of the Net Asset Value per Share established on a Valuation Day, duly completed and signed redemption requests must be received by the Registrar and Transfer Agent in Luxembourg no later than 4.30 p.m., Luxembourg time, on the Business Day preceding such Valuation Day. Redemption requests received after this time and date will take effect on the next following Valuation Day.

The Redemption Price shall be the Net Asset Value per Share on the relevant Valuation Day. The Redemption Price is increased by a sale charge of 0.25% of the Net Asset Value and which shall revert to the sales agents and authorised intermediaries.

The Redemption Price shall be paid 3 Business Days following the applicable Valuation Day.

### 6. Conversions

The Shares of the Sub-Fund may be converted into Shares of another sub-Fund according to the procedure described in Part A of the Prospectus. Conversions of Shares are only possible if the restrictions applicable to the new Class (minimum investment amount, eligible investors, etc.) are complied with.

The conversion list will be closed under the same terms and conditions as applicable to redemptions in the Sub-Fund, including the redemption fee if applicable.

### 7. Reference Currency

The Sub-Fund is denominated in EUR.

### 8. Publication of the NAV

The Net Asset Value and the issue and redemption prices of the Shares will be available at the registered office of the Fund and will be available on Bloomberg

### 9. Listing on the Luxembourg Stock Exchange

The Shares of the Sub-Fund will be admitted to official listing on the Luxembourg Stock Exchange.

### 10. Taxation

The Sub-Fund is liable a tax of 0.05% per annum of its Net Asset Value allocated to the Class R-retail shares, this tax is reduced to 0.01% per annum of its Net Asset Value allocated to the Class I - institutional shares and F - founders shares (taxe d'abonnement) , such tax being payable quarterly on the basis of the value of the aggregate net assets of the Classes of the Sub-Fund at the end of the relevant calendar quarter. However, the portion of assets which are invested in units

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or shares of UCI shall be exempt from such tax as far as those UCIs are already submitted to this tax in Luxembourg.

### III. Investment Manager

The Management Company has appointed, at the expenses of the Sub-Fund, Selectum Vermogensbeheer N.V. as investment manager of the Sub-Fund (the "Investment Manager"). The Investment Manager will keep the investments of the Sub-Fund under constant review and have authority in connection with the investment and reinvestment of the Sub-Fund's portfolio.

The Investment Manager is a company incorporated in Belgium as a limited company on 23 February 2001. Its corporate capital amounts to EURO 250.000.-. Its registered office is at 39-0B Kipdorp, 2000, Antwerp. Its main purpose is the providing of investment management and advisory services. The Investment Manager is regulated by the Financial Services and Market Authority in Belgium (FSMA)

### IV. Management Fee, Investment Management Fee

#### 1. Management Fee

Pursuant to the Collective Portfolio Management Agreement, the Sub-Fund will pay a management fee (the "Management Fee") to the Management Company in remuneration for its services. The Management Fee is equal to 0.075% for Class R Retail Shares, Class I Institutional Shares and for Class F Founder Shares, per annum of the average net assets of each Class of the Sub-Fund during the relevant quarter with a minimum of EUR 10,000.- and a maximum of EUR 75.000 per annum for the Sub-Fund. Such fee is payable quarterly in arrears.

#### 2. Investment Management Fee

Pursuant to the Investment Management Agreement, the Management Company will pay, at the expense of the Sub-Fund, an investment management fee to the Investment Manager in remuneration for its services. Such fee is different for each class of Shares, payable quarterly in arrears and calculated on the average net assets of the Sub-Fund in the respective class of Shares for the relevant quarter as follows

- Class F Shares 0.40% per annum
- Class I Shares 1.00% per annum
- Class R Shares 1.60% per annum

# Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

## 123 Fund, a sub-fund of ABC Fund SICAV (ISIN: 4321)

This fund is managed by ABC Fund Managers Ltd, part of the XYZ group of companies

### Objectives and Investment Policy

Joint description of the objectives and policy of the UCITS in plain language (it is suggested not to copy-out the prospectus)

Essential features of the product which a typical investor should know:

- main categories of eligible financial instruments that are the object of investment
- a statement that the investor may redeem units on demand, and how frequently units are dealt in
- whether the UCITS has a particular target in relation to any industrial, geographic or other market sectors or specific classes of assets
- whether discretionary choices regarding particular investments are allowed, and whether the fund refers to a benchmark and if so which one
- a statement of whether any income arising from the fund is distributed or reinvested

Other information if relevant, such as:

- what type of debt securities the UCITS invests in
- information regarding any pre-determined pay off and the factors expected to determine performance
- if choice of assets is guided by growth, value or high dividends
- how use of hedging / arbitrage / leverage techniques may determine the fund's performance
- that portfolio transaction costs will have a material impact on performance
- minimum recommended holding term

### Risk and Reward Profile



Narrative explanation of the indicator and its main limitations:

- Historical data may not be a reliable indication for the future
- Risk category shown is not guaranteed and may shift over time
- The lowest category does not mean 'risk free'
- Why the fund is in its specific category
- Details of nature, timing and extent of any capital guarantee or protection

Narrative presentation of risks materially relevant to the fund which are not adequately captured by the indicator:

- Credit risk, where a significant level of investment is made in debt securities
- Liquidity risk, where a significant level of investment is made in financial instruments that are likely to have a low level of liquidity in some circumstances
- Counterparty risk, where a fund is backed by a guarantee from, or has material investment exposure through contracts with, a third party
- Operational risks including safekeeping of assets
- Impact of any techniques such as derivative contracts



## Charges for this Fund

The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
<b>Entry charge</b>	[]%
<b>Exit charge</b>	[]%
This is the maximum that might be taken out of your money [before it is invested][before the proceeds of your investment are paid out].	
Charges taken from the fund over a year	
<b>Ongoing charges</b>	[]%
Charges taken from the fund under certain specific conditions	
<b>Performance fee</b>	[]% a year of any returns the fund achieves above the benchmark for these fees, [insert name of benchmark].

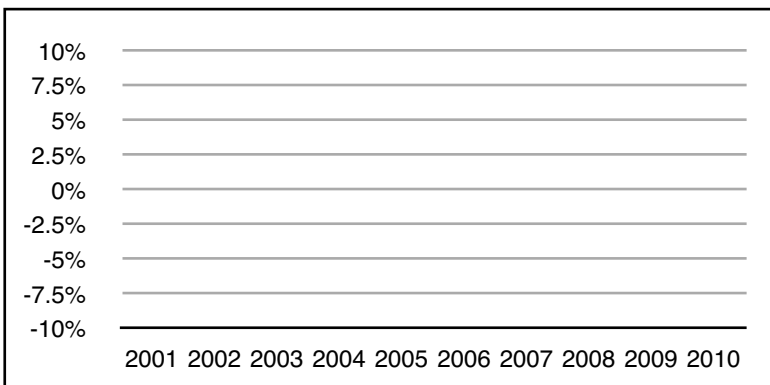
The **entry** and **exit charges** shown are maximum figures. In some cases you might pay less - you can find this out from your financial adviser.

The **ongoing charges** figure is based on expenses for the year ending []. This figure may vary from year to year. It excludes:

- Performance fees
- Portfolio transaction costs, except in the case of an entry/exit charge paid by the UCITS when buying or selling units in another collective investment undertaking

**For more information about charges, please [see pages x to x / section x] of the fund's prospectus, which is available at [www.ucitsfund/prospectus](http://www.ucitsfund/prospectus)**

## Past Performance



The chart will be supplemented with prominent statements which:

- warn about its limited value as a guide to future performance
- indicate briefly which charges have been included or excluded
- state the year when the fund started to issue units
- indicate the currency in which past performance has been calculated.

## Practical Information

- Name of the depositary
- Where and how to obtain further information about the UCITS (prospectus, reports & accounts)
- Where and how to obtain other practical information (e.g. where to find latest unit prices)
- A statement that tax legislation of the fund's Home State may have an impact on the personal tax position of the investor
- A statement that "[Name of management company] may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for the fund"
- Specific information relating to umbrella funds (e.g. any switching rights between sub-funds)
- Information about other share classes, if applicable (KII may be based on a representative class)

This fund is authorised in [name of Member State] and regulated by [identity of competent authority].

[Name of management company] is authorised in [name of Member state] on and regulated by [identity of competent authority].]

This key investor information is accurate as at [the date of publication].