

## **Announcement of Amendment to the Prospectus of the Fundshare UCITS Umbrella Fund**

Herewith, HiQ Invest B.V. (the “Manager”), in its quality of fund manager of the FundShare UCITS Umbrella Fund (the “Fund”, including any and all of its “Sub-Funds”), with the approval of the current depositary KAS Trust & Depositary Services B.V., (the “Depositary”) announces the following amendments to the Prospectus of the Fund.

### Amendment and Explanation to the decision of amendment of the Base-Prospectus

The following main amendments are made to the Base-Prospectus of the Fund and as such hold for all Participants of the Fund, these amendment are intended to be applied to the FundShare UCITS EUR Cash Fund, FundShare UCITS USD Cash Fund and FundShare UCITS GBP Cash Fund valuation.

#### NAV Valuation Methods

In order to improve the economical representation of the valuation of short-term money market instrument and to align the valuation policy with upcoming regulation; the manager may now value money market instruments using the amortized cost method, as long as:

- they do not deviate for more than 10 bps from their mark to market and have a residual maturity of less than 75 days; or
- they are issued or guaranteed by government or entities as defined in the prospectus and have a residual maturity of less than 397 days.

Please read chapter 8.1.1 of the Prospectus for more information about the change in NAV valuation.

### Amendments in the Supplements to the Base-Prospectus (amendments affecting particular Sub-Funds: investment policies, restrictions and/or fees)

The following changes has been made:

#### **FundShare UCITS EUR Cash Fund:**

##### Investment objectives

In order to reinforce the preservation of capital and fall under the money market framework; the following investment objectives have been amended.

- The Sub-Fund now identifies itself as Short-Term Money Market Fund.
- In order to align the benchmark with the changes of policy, the Sub-Fund benchmark has been changed from EONIA – Reference EUR Spread to the One Week Euro LIBID Index.
- The possibility to enter into derivative agreements with the Swap Counterparty has been removed since it is not needed anymore due to the change of policy, investments as well as objectives.

##### Investment Policy

- To reinforce the preservation of capital, the Sub-Fund will invest solely in high quality Money Market Instruments issued or guaranteed by Member States and money held in credit institutions.



- The residual maturity of the assets has been changed from 4 years to 397 days, and a limit of 60 days for the weighted average maturity has been added; the purpose is to deliver a low risk and return aligned with money market instruments.
- The rating restriction has been moved from 80% in AA or higher rating to a high credit quality assessment by the manager and one of the two highest available credit ratings by each recognized credit rating agency. This way, the risks of the portfolio becomes lower and the rating is not solely relied upon the rating agencies but also evaluated by the manager.
- Restriction on the money held with credit institutions has been added and the total maximum money held has been changed from 10% to 40% with a maximum of 20% per credit institution. This change allows the Sub-Fund to have access to extra liquidity and facilitate the daily operations and large inflow or outflow.
- A restriction on the weighted average life of the money market instruments of the Sub-Fund has been added to a maximum of 120 days.
- The Redemption Payment Period from Trading Day has been changed from 3 Business Days to Same Day or, at the latest, next business day; in order to provide liquidity through settlement to the participants.

### Risks

- Due to the removal of hedging with derivative, the counterparty risk is not relevant anymore but the credit, interest rate and liquidity risk have been added to the list of investment risks.
- The changes of investment objective and policy define stricter restrictions in terms of ratings and maturity, to this extend the risk indicator of the Sub-Fund is remains 1.

### Management and operating fees

- The new requirements, policies and processes related to those changes increased the resources necessary to manage the fund, this is why the management fees will be changed from 5bps to 9bps.

## **FundShare UCITS GBP Cash Fund:**

### Investment objectives

In order to reinforce the preservation of capital and fall under the money market framework; the following investment objectives have been amended.

- The Sub-Fund now identifies itself as Short-Term Money Market Fund.
- In order to align the benchmark with the changes of policy, the Sub-Fund benchmark has been changed from LIBOR GBP Overnight Rate – Reference GBP Spread to the One Week ICE Libor Index.
- The possibility to enter into derivative agreements with the Swap Counterparty has been removed since it is not needed anymore due to the change of policy, investments as well as objectives.

### Investment Policy

- To reinforce the preservation of capital, the Sub-Fund will invest solely in high quality Money Market Instruments issued or guaranteed by Member States, money held in credit institutions as well as high quality money market instruments issued by financial and non-financial corporations with a residual maturity upon purchase of not more than 75 days.



- The residual maturity of the assets has been changed from 4 years to 397 days, and a limit of 60 days for the weighted average maturity has been added; the purpose is to deliver a low risk and return aligned with money market instruments.
- The rating restriction has been moved from 80% in AA or higher rating to a high credit quality assessment by the manager and one of the two highest available credit ratings by each recognized credit rating agency. This way, the risks of the portfolio becomes lower and the rating is not solely relied upon the rating agencies but also evaluated by the manager.
- Restriction on the money held with credit institutions has been added and the total maximum money held has been changed from 10% to 40% with a maximum of 20% per credit institution. This change allows the Sub-Fund to have access to extra liquidity and facilitate the daily operations and large inflow or outflow.
- A restriction on the weighted average life of the money market instruments of the Sub-Fund has been added to a maximum of 120 days.
- The Redemption Payment Period from Trading Day has been changed from 3 Business Days to Same Day or, at the latest, next business day; in order to provide liquidity through settlement to the participants.

### Risks

- Due to the removal of hedging with derivative, the counterparty risk is not relevant anymore but the credit, interest rate and liquidity risk have been added to the list of investment risks.
- The changes of investment objective and policy define stricter restrictions in terms of ratings and maturity, to this extend the risk indicator of the Sub-Fund remains 1.

### Management and Operating fees

- The new requirements, policies and processes related to those changes increased the resources necessary to manage the fund, this is why the management fees will be changed from 5bps to 9bps.

## **FundShare UCITS USD Cash Fund:**

### Investment objectives

In order to reinforce the preservation of capital and fall under the money market framework; the following investment objectives have been amended.

- The Sub-Fund now identifies itself as Short-Term Money Market Fund.
- In order to align the benchmark with the changes of policy, the Sub-Fund benchmark has been changed from LIBOR USD Overnight Rate – Reference USD Spread to the One Week USD LIBID Index.
- The possibility to enter into derivative agreements with the Swap Counterparty has been removed since it is not needed anymore due to the change of policy, investments as well as objectives.

### Investment Policy

- To reinforce the preservation of capital, the Sub-Fund will invest solely in high quality Money Market Instruments issued or guaranteed by Member States, money held in credit institutions as well as high quality money market instruments issued by financial and non-financial corporations with a residual maturity upon purchase of not more than 75 days.



- The residual maturity of the assets has been changed from 4 years to 397 days, and a limit of 60 days for the weighted average maturity has been added; the purpose is to deliver a low risk and return aligned with money market instruments.
- The rating restriction has been moved from 80% in AA or higher rating to a high credit quality assessment by the manager and one of the two highest available credit ratings by each recognized credit rating agency. This way, the risks of the portfolio becomes lower and the rating is not solely relied upon the rating agencies but also evaluated by the manager.
- Restriction on the money held with credit institutions has been added and the total maximum money held has been changed from 10% to 40% with a maximum of 20% per credit institution. This change allows the Sub-Fund to have access to extra liquidity and facilitate the daily operations and large inflow or outflow.
- A restriction on the weighted average life of the money market instruments of the Sub-Fund has been added to a maximum of 120 days.
- The Redemption Payment Period from Trading Day has been changed from 3 Business Days to Same Day or, at the latest, next business day; in order to provide liquidity through settlement to the participants.

#### Risks

- Due to the removal of hedging with derivative, the counterparty risk is not relevant anymore but the credit, interest rate and liquidity risk have been added to the list of investment risks.
- The changes of investment objective and policy define stricter restrictions in terms of ratings and maturity, to this extend the risk indicator of the Sub-Fund remains 1.

#### Management and Operating fees

- The new requirements, policies and processes related to those changes increased the resources necessary to manage the fund, this is why the management fees will be changed from 5bps to 9bps.

Please see the relevant Supplement of a Sub-Fund in the Prospectus for the applicable conditions for the particular Sub-Fund, other than the conditions already set out in the Base-Prospectus.

#### Amendments taking Effect

The amendment of the Investment Objectives, Investment Policy and Management and Operating Fees will only become effective one month following the date of notification, hence 27 April 2018. During the one-month period, Participants of this Fund have the right to redeem their Participations at their respective Net Asset Value under the usual conditions.

The amendments of the NAV valuation method are effective from 27 March 2018.

Amsterdam, 27 March 2018

HiQ Invest B.V.