



**DIAMAN Sicav**  
Société d'Investissement à Capital Variable  
Luxembourg

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**Sub-Fund "DIAMAN Sicav Trend Follower"**

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## INTRODUCTION

**DIAMAN Sicav** (the "Fund") is an open-ended investment company organized under the laws of the Grand Duchy of Luxembourg as a "Société d'Investissement à Capital Variable".

The Fund is offering shares (the "Shares") of several separate sub-funds (each a "Sub-Fund") on the basis of the information contained in the full prospectus (the "Prospectus") of the Fund.

The investment objective of the Fund is to manage the assets of each Sub-Fund for the benefit of their shareholders; in order to achieve this objective, the assets of the Fund will be invested in transferable securities and other permitted assets.

This simplified Prospectus contains the principal features of the **Trend Follower** Sub-Fund (the "Sub-Fund"). This simplified Prospectus is issued besides the Prospectus containing detailed information on the SICAV.

Copies of this simplified Prospectus, of the Prospectus and of the most recent annual and semi-annual reports of the Fund, if any, may be obtained free of charge at the registered office of the Fund and of the Management Company.

Any potential investor and any shareholder may further address to the registered office of the Fund or of the Management Company to get supplementary information on this issue.

The Shares to be issued hereunder may be of several different classes which relate to several separate Sub-Funds of the Fund. For each Sub-Fund, the board of directors of the Fund (the "Board of Directors") may decide at any time to issue different classes of Shares (individually a "Class", collectively the "Classes") whose assets will be invested jointly according to the Sub-Fund's specific investment policy, but with specific features applicable to each class of Shares. Shares of the different Sub-Funds may be issued, redeemed and converted at prices computed on the basis of the net asset value (the "Net Asset Value") per Share of the relevant class or Sub-Fund, as defined in the Articles of Incorporation of the Fund (the "Articles").

This Sub-Fund offers three classes of Shares which will differ in the status of the investors:

- Class I Institutional Shares, intended for institutional investors
- Class P Private Shares, intended for private investors through management or advisory mandate
- Class R Retail Shares, intended for direct distribution to retail investors

## DIRECTORY

Board of Directors:

*Chairman*

Mr. Alain Léonard, *Managing Director*, Degroof  
Gestion Institutionnelle - Luxembourg

*Vice-Chairman*

Mr. Daniele Bernardi, *Managing Director*, Diaman  
SIM S.p.A., Marcon Venezia

*Directors*

Mr. Marco Rosati, *Managing Director*, Zenit Sgr  
Spa, Milano

Mr. Donald Villeneuve, *Directeur*, Banque Degroof  
Luxembourg S.A.

Mr. Régis Leoni, *Sous-Directeur*, Banque Degroof  
Luxembourg S.A.

Registered Office:

12, rue Eugène Ruppert, L-2453 Luxembourg

Co-Promoters:

Banque Degroof Luxembourg S.A.  
12, rue Eugène Ruppert, L-2453 Luxembourg

Zenit Sgr Spa  
Via Privata Maria Teresa, 7, I-20123 Milano

Custodian:

Banque Degroof Luxembourg S.A.  
12, rue Eugène Ruppert, L-2453 Luxembourg

Domiciliary and Corporate Agent,  
Administrative Agent, Paying Agent, Registrar  
and Transfer Agent:

Banque Degroof Luxembourg S.A.  
12, rue Eugène Ruppert, L-2453 Luxembourg

Auditors:

Deloitte S.A.  
560, rue de Neudorf, L-2220 Luxembourg

Management Company:

Degroof Gestion Institutionnelle – Luxembourg  
12, rue Eugène Ruppert, L-2453 Luxembourg

Investment Adviser:

Diaman SIM S.p.A.  
Via R. Lombardi, 14/4, I-30020 Marcon Venezia

Supervisory Authority:

Commission de Surveillance du Secteur Financier  
110, route d'Arlon, L-1150 Luxembourg

## **GENERAL INFORMATION RELATING TO THE FUND**

The Fund was incorporated for an unlimited period of time on 4 October 2006 and is governed by the Luxembourg law of 10 August 1915 on commercial companies, as amended, and by the Luxembourg law of 20 December 2002 relating to undertakings for collective investment (the "Law of 2002").

The registered office of the Fund is established at 12, rue Eugène Ruppert, L-2453 Luxembourg.

The Fund is recorded at the "Registre de Commerce et des Sociétés" with the District Court of Luxembourg under the number B 119.895.

The Articles were published in the "Mémorial C, Recueil des Sociétés et Associations" (the "Mémorial") of 20 October 2006, and have been filed with the Chancery of the District Court of Luxembourg together with the "Notice légale" on the issue and sale of Shares. Any interested person may inspect these documents at the Chancery of the District Court of Luxembourg; copies are available on request at the registered office of the Fund.

The accounting year of the Fund commences on the first of January and terminates on the thirty first of December of the same year.

The annual general meeting of shareholders takes place in Luxembourg City at a place specified in the notice of meeting on the last Thursday in the month of April at 11.00 a.m. and for the first time in 2008. If such day is not a Business Day in Luxembourg, the annual general meeting shall be held on the next following Business Day in Luxembourg.

The combined accounts of the Fund shall be maintained in EUR being the currency of the share capital.

## **TAXATION**

### **A. Taxation of the Fund in Luxembourg**

The Fund is not liable to any Luxembourg tax on profits or income. The Fund is, however, liable in Luxembourg to a tax of 0.05% per annum of its Net Asset Value, such tax being payable quarterly on the basis of the value of the aggregate net assets of the Sub-Funds at the end of the relevant calendar quarter. However, this tax is reduced to 0.01% per annum for the net assets attributable to the Class I Institutional Shares, intended for institutional investors. No stamp duty or other tax is payable in Luxembourg on the issue of Shares. No Luxembourg tax is payable on the realised capital appreciation of the assets of the Fund.

#### **General**

Dividends and interest received by the Fund on its investments may be subject to non-recoverable withholding or other taxes in the countries of origin.

The Fund was liable to an initial capital tax of EUR 1,250 which was paid upon incorporation.

## **B. Luxembourg Taxation of shareholders**

Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments (hereinafter the “Directive”)

The Directive stipulates that with effect from 1st July 2005, paying agents (within the meaning of the Directive) established in a Member State of the European Union (or in certain dependent or associated territories of Member States) which make interest payments to natural persons (or to residual entities within the meaning of the Directive) residing in another Member State, must, depending on the country in which they are established, communicate information relating to the payment and the beneficiary to the tax authorities or deduct withholding tax. If such a payment is subject to withholding tax, the beneficiary can avoid such withholding tax by submitting a certificate of exemption or an authorisation to exchange information, depending on the options proposed by the paying agent and the country of establishment.

In accordance with the provisions of the Directive, dividend payments made by a sub-fund of the Fund shall fall within the scope of the Directive if more than 15% of the sub-fund’s net assets are invested in debt claims as defined in the Directive. Payments made by a sub-fund of Fund in the event of the repurchase of shares in a sub-fund (or any transaction treated as a repurchase) shall fall within the scope of the Directive if more than 40% of the subfund’s net assets are invested in such debt claims.

When payment is subject to withholding tax, the said withholding tax shall apply in principle, provided that the paying agent is in possession of such information, to the part of the payment corresponding to interest income within the meaning of the Directive. The withholding tax will be 20% up to 30 June 2011 and then 35% up to the end of the transition period (as defined in the Directive) provided that the paying agent has information on the interest comprised in the distribution or repurchase payment.

The Directive was transposed into the laws of Luxembourg by the law of 21 June 2005.

The above provisions are based on current law and practices and are subject to change.

The Fund recommends to potential shareholders that they should obtain information and, if necessary, advice regarding the laws and regulations applying to the subscription, purchase, holding, redemption and sale of shares in their country of origin, residence or domicile.

**The above information is not exhaustive and does not constitute legal or tax advice. Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, converting, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile or incorporation.**

**SPECIFIC INFORMATION  
RELATING TO THE SUB-FUND DIAMAN SICAV TREND FOLLOWER**

**1. Investment Policy and Investment Restrictions**

**Investment Policy**

The objective of the **Trend Follower** Sub-Fund is to obtain the maximum return offered by stock market in positive trend and consistent reduction of volatility and possible drawdown in negative phase or in not directional market.

The main characteristics of the investment strategy are:

- Strategic Asset Allocation achieved through a selection of the best investment funds;
- Tactical Asset Allocation on a weekly and daily basis in order to diversify the Sub-Fund's exposition to equity markets, and precisely to carry out portfolio transactions through selling futures on indexes or on volatility;
- Currency: exposition to the currencies of the countries where the funds are invested.

The **Trend Follower** Sub-Fund will invest in a mixed portfolio composed of equity funds and hedge funds within the limits set out by law, and in bonds and debt instruments. The portion of the portfolio which will be invested in equity funds may represent up to 100% of the Sub-Fund's net assets. The **Trend Follower** Sub-Fund will primarily invest in funds with European passport.

The allocation will be done either through UCITS and/or other UCIs. When selecting UCITS and UCIs, the Investment Adviser may wish to focus on ETFs which are deemed to be particularly adapted to the above investment strategy.

The **Trend Follower** Sub-Fund may also invest up to 10% of its net assets in hedge funds,, commodities funds, ETFs investing in commodities and real estate funds, subject to the following restrictions:

- Any such fund must be of the open-ended type;
- Hedge funds, commodities funds, ETFs investing in commodities and real estate funds must be regulated and subject to supervision considered by the Regulatory Authority to be equivalent to that laid down in Community law and cooperation between authorities must be sufficiently ensured. Hedge funds, commodities fund, ETFs investing in commodities and real estate funds that have been authorized under the laws of any Member State of the European Union, of any Member State of the Organization for Economic Cooperation and Development or under the laws of Hong Kong, Guernsey, Jersey, the Isle of Man, Liechtenstein and Singapore are deemed to be subject to equivalent supervision and cooperation between regulatory authorities of these countries and the Regulatory Authority in Luxembourg is ensured. Such list is however subject to change from time to time;
- In aggregate, the proportion of the Sub-Fund that is invested in the categories of funds listed hereabove, together with any Transferable Securities and Money Market

Instruments as per Part A Paragraph II Section B (1), shall not exceed 10% of the Sub-Fund's net assets.

This Sub-Fund will attempt to protect the invested capital from adverse fluctuations of the market by selling the equity funds using a trend following approach, which means hedging at least part of the portfolio with index futures and options, single stock options and single stock futures.

It should be noted that the investment in other UCITS and/or other UCIs may entail a duplication of certain fees and expenses. The aggregated management fees charged both to the Sub-Fund and to the other UCITS and/or other UCIs may not exceed 5%.

If the Sub-Fund invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the same management company or by any other company with which the management company is linked by common management or control, or by substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the Sub-Fund's investment in the units of such other UCITS and/or UCIs.

Notwithstanding the above provisions and if justified by exceptional market conditions, the **Trend Follower** 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 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, Paragraph II. 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 Bank may not exceed 20% of the Sub-Fund's net assets.

### **Risk Profile**

The assets of the Sub-Fund are subject to market fluctuations and to the risks inherent in any investment in equities and bonds.

No guarantee can be given that the Sub-Fund's objective will be achieved.

Investing in equity securities may offer a higher rate of return than those in short term and long term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments held might decrease in value. Equity security values may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. Historically, equity securities have provided greater long-term returns and have entailed greater short-term risks than other investment choices.

Debt securities are subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

The value of equity funds may increase or decrease and so no guarantee can be given that investors will recover the initial amount invested. The income deriving from shares may be subject to fluctuations in monetary terms and variations in exchange rates may determine an increase or a decrease of the shares' value. The taxable income and the withholding tax may vary. No guarantee can be given that the investment objective will be achieved.

### **Profile of targeted investors**

Given that the Sub-Fund may invest up to 100% of its net assets in equity funds, this Sub-Fund is suitable for more experienced investors wishing to attain defined investment objectives. The investor must have experience with volatile products. The investor must be able to accept significant temporary losses, thus this Sub-Fund is suitable to investors who can afford to set aside the capital for at least 5 years. It is designed for the investment objective of building up capital.

### **Investment restrictions**

The Sub-Fund will respect the investment restrictions set forth under Part A, section "Investment objectives, policies, techniques and investment restrictions, subject to the following exception. By derogation, the **Trend Follower** Sub-Fund may invest in open-ended hedge funds, commodities funds, exchange-traded commodities and real estate funds as detailed in the investment policy hereabove, which together with any Transferable Securities and Money Market Instruments as per Part A Paragraph II Section B (1), shall not exceed 10% of the Sub-Fund's net assets.

### **Techniques and instruments**

The **Trend Follower** Sub-Fund may engage in various portfolio strategies to attempt to reduce certain risks of its investments. These strategies currently include the use of options, forward currency exchange contracts, futures contracts and options thereon, as described under the section "Investment Objectives, Policies, Techniques and Investment Restrictions" of Part A of the Prospectus. Participation in the options or futures markets and in currency exchange transactions involves investment risks and transaction costs to which the **Trend Follower** Sub-Fund would not be subject in the absence of the use of these strategies. However the **Trend Follower** Sub-Fund will not engage in such portfolio strategies to an extent which would a priori have a negative influence on the assets of the **Trend Follower** Sub-Fund.

The **Trend Follower** Sub-Fund shall ensure that its global exposure relating to these transactions and to transactions provided for in Part A of the Prospectus does not exceed the total net asset value of its portfolio.

In its financial reports, the Fund must indicate for the different categories of transactions involved, the total amount of commitments incurred under such outstanding transactions as of the reference date for such financial reports.

## **2. Distribution Policy**

Since the **Trend Follower** Sub-Fund's principal investment objective is the capital growth, no dividend is expected to be paid to the shareholders.

However, the distribution of dividends may be proposed by the Board of Directors to the general meeting of shareholders at any time.

### **3. Form and classes of Shares**

The Sub-Fund offers three classes of Shares:

- Class I Institutional Shares, intended for institutional investors
- Class P Private Shares, intended for private investors through management or advisory mandate
- Class R Retail Shares, intended for direct distribution to retail investors

The difference between these classes of Shares relates to the status of the investors.

Shares in each Class are issued in registered form only. Written confirmations of shareholding will be sent to shareholders within five Business Days following the relevant Valuation Day.

Certain classes of Shares may not be offered for subscription by the Fund in certain countries where the Fund is registered for public distribution. In such case, the investors wishing to subscribe for a class of Shares which is not offered for subscription by the Fund may apply to the Registrar and Transfer Agent in Luxembourg in order to subscribe for the relevant class of Shares.

### **4. Minimum Investment**

The minimum initial investment and holding requirement per investor in the **Trend Follower** Sub-Fund is different and related to the relevant class of Shares:

	Initial subscription	Subsequent subscription
Class I Shares	EUR 100,000	EUR 500
Class P Shares	EUR 10,000	EUR 500
Class R Shares	EUR 100	EUR 100

### **5. Subscriptions and Subscription Fee**

After the Initial Subscription Period, the subscription price corresponds to the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day, which may be increased by a sales charge of a maximum of 3% of the applicable Net Asset Value per Share and which shall revert to the sales agents.

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, duly completed and signed subscription forms must be received by the Fund in Luxembourg no later than 12.00 noon, 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 by the Fund no later than three Business Days following such Valuation Day for the account of the Fund referencing the **Trend Follower** Sub-Fund and the relevant class of Shares.

The corresponding Shares will be issued only upon receipt of the payment.

The Investment Adviser is not entitled to accept payments relating to the subsequent subscriptions.

In regard to the offer in countries other than Luxembourg, an investor who subscribes, converts or redeems Shares in the Fund through authorised intermediaries could also be charged with the costs of these agents in the jurisdiction in which the offer is made.

## **6. Redemptions**

In order to be dealt with on the basis of the relevant Net Asset Value per Share established on a Valuation Day, redemption requests must be received by the Fund in Luxembourg no later than 12.00 noon, 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 based on the Net Asset Value per Share of the relevant class of Shares on the relevant Valuation Day. No redemption fee shall be levied.

The redemption price shall be paid three Business Days following the applicable Valuation Day.

The Investment Adviser is not entitled to make payments relating to the redemptions.

## **7. Conversions**

The Shares of the **Trend Follower** Sub-Fund may be converted into Shares of another Sub-Fund of the Fund according to the procedure described in the Prospectus. No conversion fee shall be levied.

The conversion list will be closed under the same terms and conditions as applicable to redemptions in the **Trend Follower** Sub-Fund.

## **8. Reference Currencies of the Trend Follower Sub-Fund**

The Net Asset Value per Share of each class of Shares of the **Trend Follower** Sub-Fund will be calculated in EUR.

The Sub-Fund is denominated in EUR.

## **9. Frequency of the Net Asset Values (NAV) calculation and Valuation Day**

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

The calculation of the Net Asset Value per Share will be executed on the next following Business Day on the basis of the closing prices published by the relevant Stock Exchanges on the Valuation Day.

## **10. Management Company Fees**

A management fee is payable to the Management Company by the **Trend Follower** Sub-Fund in remuneration for its services. Such fee is payable quarterly in arrears and calculated on the average of the net assets of the **Trend Follower** Sub-Fund for the relevant quarter as follows:

0.075% per annum  
with a minimum of EUR 10,000.

A marketing fee is also payable to the Management Company by the **Trend Follower** Sub-Fund in remuneration for its services. Such fee is different for each class of Shares, payable monthly in arrears and calculated on the average of the net assets of the **Trend Follower** Sub-Fund in the respective class of Shares for the relevant month as follows:

Class I Shares	0% per annum
Class P Shares	Up to 1.10% per annum
Class R Shares	Up to 1.50% per annum

## **11. Investment Adviser**

In accordance with an agreement entered into with the Management Company, terminable by either party giving not less than three months' prior notice to the other party, Diaman SIM S.p.A. is acting as Investment Adviser.

Diaman SIM S.p.A. located at Via R. Lombardi, 14/4 in Marcon Venezia is an advisory company specialized in support for management and asset allocation. Its capital at 30 June 2009 amounts to EUR 165,000.

## **12. Investment Advisory Fee**

An advisory fee is payable to the Investment Adviser by the Management Company at the charge of the **Trend Follower** Sub-Fund, in compensation for its services. Such fee is payable monthly in arrears at the annual rate of 0.70% calculated on the average of the net assets of the **Trend Follower** Sub-Fund for the relevant month.

## **14. Additional variable fee**

In addition, the Investment Adviser is entitled to receive from the Management Company, at the charge of the **Trend Follower** Sub-Fund, an additional variable fee which represents 0.007% of the total Net Asset Value of the **Trend Follower** Sub-Fund (net of any liabilities other than the additional variable fee) and is calculated for any 100 basis points of return realised by the Sub-Fund. The Sub-Fund's return is equal to the annualised increase, in percent, of the Sub-Fund's Net Asset Value per Share (net of any liabilities other than the additional variable fee), it is calculated on the last business day of the month and compared with the Net Asset Value per Share calculated on the corresponding business day of the previous quarter. Payment of the addition variable fee, if applicable, is effected on a monthly basis.

### **15. Custodian fee**

The Custodian is entitled to receive out of the assets of the **Trend Follower** Sub-Fund a fee calculated as a percentage of the average quarterly Net Asset Value during the relevant quarter and payable quarterly in arrears.

This fee is currently paid at the following rate :

- 0.17% per annum on the first EUR 10 million of average net assets;
  - 0.15% per annum on the average net assets over EUR 10 million
- with a minimum of EUR 10,000  
and increased by any VAT payable thereon

### **16. Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent fees**

The Domiciliary and Corporate Agent, Administrative Agent, Registrar and Transfer Agent is entitled to receive from the Management Company at the charge of the Fund, out of the assets of the **Trend Follower** Sub-Fund, the following remuneration:

- domiciliation : EUR 7,500 per annum for the Fund as a whole
- administrative agent: EUR 1,850 per month

### **17. Listing on the Luxembourg Stock Exchange**

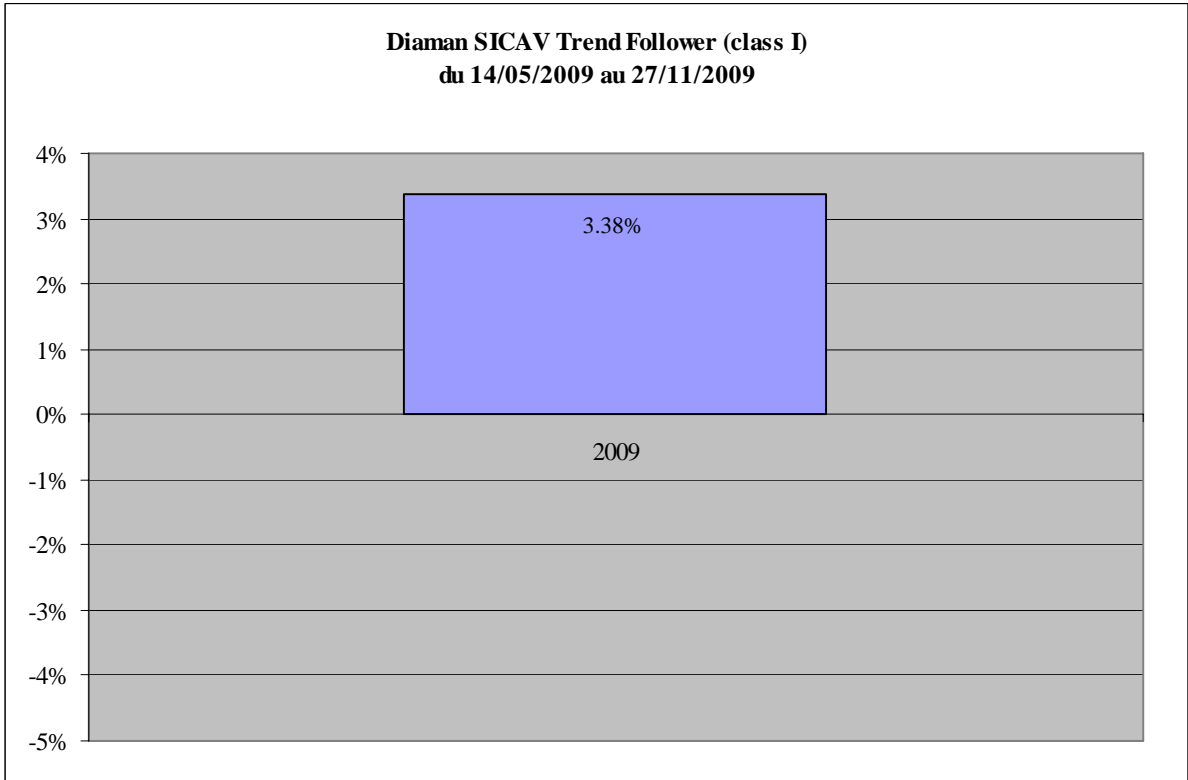
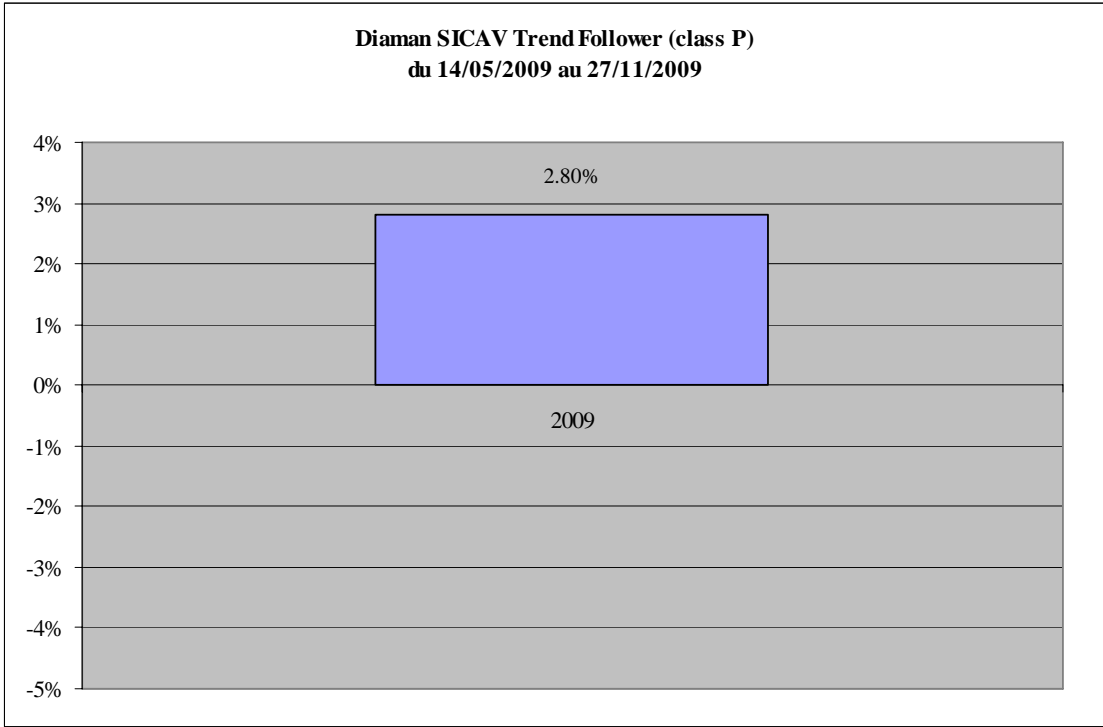
The Shares of the **Trend Follower** Sub-Fund are listed on the Luxembourg Stock Exchange.

### **18. Publication of the NAV**

The Net Asset Values per Share and the issue, redemption and conversion prices of the Shares will be available at the registered offices of the Fund and will be available on Reuters, Bloomberg and Il Sole 24 Ore.

## **PERFORMANCE RELATING TO THE SUB-FUND DIAMAN SICAV TREND FOLLOWER**

The performance relating to the return of the **Trend Follower** Sub-Fund from 14 May 2009 (launch date) to 30 November, 2009 is shown below:



**Diaman SICAV Trend Follower (class R)**  
**du 14/05/2009 au 27/11/2009**

