

**SALES PROSPECTUS**  
(with Annexes and Management Regulations)

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**ACATIS CHAMPIONS SELECT**

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Sub-funds:

**ACATIS CHAMPIONS SELECT - ACATIS AKTIEN DEUTSCHLAND ELM**

**ACATIS CHAMPIONS SELECT - ACATIS ELM KONZEPT**

**ACATIS CHAMPIONS SELECT - ACATIS VALUE PERFORMER**

Management Company:

**Wallberg Invest S.A.**

Custodian Bank:

**DZ PRIVATBANK S.A.**

## Contents

<b>Management, distribution and advisory services</b> .....	<b>4</b>
<b>Sales Prospectus</b> .....	<b>7</b>
The Management Company.....	7
Custodian Bank.....	8
The registrar and transfer agent.....	8
The Central Administration Agent.....	9
The Fund Manager.....	9
Legal position of investors.....	10
General information on trading in sub-fund units.....	10
Investment policy.....	11
Information on techniques and instruments.....	11
Calculation of the unit value.....	16
Issue of units.....	16
Redeeming and exchanging units.....	17
Risk information.....	19
Risk profile.....	23
Risk management process.....	24
Fund taxation.....	25
Taxation of income from units held by the investor in the investment fund.....	25
Publication of the unit value and issue and redemption price.....	26
Information for investors.....	26
Information for investors with regard to the United States of America.....	28
<b>Annex 1</b> .....	<b>30</b>
<b>ACATIS CHAMPIONS SELECT - ACATIS AKTIEN DEUTSCHLAND ELM</b> .....	<b>30</b>
<b>Annex 2</b> .....	<b>35</b>
<b>ACATIS CHAMPIONS SELECT - ACATIS ELM KONZEPT</b> .....	<b>35</b>
<b>Annex 3</b> .....	<b>40</b>
<b>ACATIS CHAMPIONS SELECT - ACATIS VALUE PERFORMER</b> .....	<b>40</b>

<b>Management Regulations</b> .....	<b>46</b>
Article 1 – The Fund .....	46
Article 2 – The Management Company .....	47
Article 3 – The Custodian Bank .....	48
Article 4 – General provisions governing the investment policy .....	49
Article 5 – Units .....	59
Article 6 – Calculation of the unit value.....	60
Article 7 – Suspension of unit value calculation .....	62
Article 8 – Issue of units .....	62
Article 9 – Restrictions on and the suspension of the issue of units .....	63
Article 10 – Redemption and exchange of units.....	64
Article 11 – Costs.....	66
Article 12 – Use of income .....	68
Article 13 – Financial year and audit of annual accounts.....	69
Article 14 – Publications .....	69
Article 15 – Merging of the Fund and of sub-funds .....	69
Article 16 – Dissolution of the Fund or sub-fund.....	70
Article 17 – Limitation period .....	71
Article 18 – Applicable law, jurisdiction and contractual language .....	71
Article 19 – Amendments to the Management Regulations .....	72
Article 20 – Entry into force.....	72

## **Management, distribution and advisory services**

### **Management Company**

#### **Wallberg Invest S.A.**

4, rue Thomas Edison  
L-1445 Luxembourg-Strassen

Capital as at 31 December 2013: EUR 250,000

E-mail: [info@wallberg.eu](mailto:info@wallberg.eu)

Website: [www.wallberg.eu](http://www.wallberg.eu)

### **Board of Directors of the Management Company**

#### **Chairman of the Board of Directors**

Marcel Ernzer  
Managing Director

#### **Members of the Board of Directors**

Julien Zimmer  
General Manager Investment Fund  
DZ PRIVATBANK S.A.

Hans Rieppel

### **Managing Directors of the Management Company**

Marcel Ernzer

Christian Klein

Vincent Andres

#### **Auditor of the Management Company**

#### **PricewaterhouseCoopers, Société coopérative**

400, route d'Esch  
L-1471 Luxembourg

**Custodian Bank**

**DZ PRIVATBANK S.A.**

4, rue Thomas Edison  
L-1445 Luxembourg-Strassen

**Paying agent**

Grand Duchy of Luxembourg

**DZ PRIVATBANK S.A.**

4, rue Thomas Edison  
L-1445 Luxembourg-Strassen

**Sales agent**

**For the sub-funds:**

**ACATIS CHAMPIONS SELECT - ACATIS AKTIEN  
DEUTSCHLAND ELM,**

**ACATIS CHAMPIONS SELECT - ACATIS ELM  
KONZEPT**

**ACATIS Investment GmbH**

Taunusanlage 18  
D-60325 Frankfurt / Main

**Registrar and transfer agent as well as Central  
Administration Agent**

**DZ PRIVATBANK S.A.**

4, rue Thomas Edison  
L-1445 Luxembourg-Strassen

**Fund Manager**

**ACATIS Investment GmbH**

Taunusanlage 18  
D-60325 Frankfurt / Main

**Auditor of the Fund**

**PricewaterhouseCoopers, Société coopérative**

2, rue Gerhard Mercator  
L-2182 Luxembourg

The investment fund described in this sales prospectus (with its Annexes and the Management Regulations) (the "Sales Prospectus") is a Luxembourg investment fund (*fonds commun de placement*) that has been established for an unlimited period in the form of an umbrella fund with one or more sub-funds in accordance with Part I of the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment (the "Law of 17 December 2010").

This Sales Prospectus is only valid in conjunction with the most recently published annual report, which may not be more than 16 months old. If the annual report is older than eight months, the purchaser will also be provided with the half-yearly report. The currently valid Sales Prospectus shall form the legal foundation for the purchase of units. In purchasing units, the investor acknowledges the Sales Prospectus and any approved amendments published thereto.

The investor will be provided with the "Key Investor Information Document" at no charge and on a timely basis prior to the acquisition of Fund units.

No information or explanations may be given which are at variance with the Sales Prospectus or the "Key Investor Information Document". The Management Company shall not be liable if any information or explanations are given which deviate from the terms of the current Sales Prospectus or the "Key Investor Information Document".

The Sales Prospectus and the "Key Investor Information Document" as well as the relevant annual and half-yearly reports for the Fund are available on a durable medium free of charge at the registered office of the Management Company, the Custodian Bank, the paying agents and sales agent. The Sales Prospectus and the "Key Investor Information Document" may also be downloaded from the website [www.wallberg.eu](http://www.wallberg.eu). Upon request by the investor, these documents will also be provided in hard copy. For further information, please feel free to contact the Management Company during normal business hours.

## Sales Prospectus

The investment fund (the "Fund") described in this Sales Prospectus was established on the initiative of **ACATIS Investment GmbH**, Taunusanlage 18, D-60325 Frankfurt / Main and is managed by **Wallberg Invest S.A.** Until 31 January 2009, the Fund was managed by IPCConcept (Luxembourg) S.A.

This Sales Prospectus includes Annexes relating to the respective sub-funds and the Management Regulations applicable to the Fund. The Management Regulations first entered into force on 4 January 2002 and were published on 29 January 2002 in the "*Mémorial, Recueil des Sociétés et Associations*", the Official Journal of the Grand Duchy of Luxembourg ("*Mémorial*").

The Management Regulations were last amended on 1 January 2015 and a notice of their deposit with the Luxembourg Trade and Companies Register was published in the *Mémorial* on 22 January 2015.

The Sales Prospectus (with its Annexes) and the Management Regulations constitute a whole in terms of their substance and thus complement each other.

### The Management Company

The Management Company of the Fund is **Wallberg Invest S.A.** (the "Management Company"), a public limited company (*Aktiengesellschaft*) pursuant to the law of the Grand Duchy of Luxembourg with its registered office located at 4, rue Thomas Edison, L-1445 Luxembourg-Strassen. It was established for an indefinite period on 19 March 2008. Its Articles of Association were published in the *Mémorial* on 17 May 2008. The most recent amendment to the Articles of Association of the Management Company entered into force on 18 March 2014 and was published in the *Mémorial* on 28 May 2014. The Management Company is entered in the Luxembourg Trade and Companies Register under registration number R.C.S. Luxembourg B-137 988. The financial year of the Management Company ends on 31 December of each year. The equity capital of the Management Company amounted to EUR 250,000 on 31 December 2013.

The purpose of the Management Company is the management of admissible undertakings for collective investment. These include undertakings for collective investment in transferable securities (hereinafter: UCITS) pursuant to the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment, as amended (hereinafter: the "Law of 2010") and alternative investment funds (hereinafter: AIF) pursuant to the Law of 12 July 2013 on alternative investment fund managers (hereinafter: the "Law of 2013"), as well as other undertakings for collective investment (hereinafter: UCI) that are not subject to the above-mentioned laws and in respect of which the Management Company is subject to prudential supervision and whose units cannot, by virtue of the above-mentioned laws, be marketed in other Member States of the European Union. The Company may conduct its business in Luxembourg and abroad, set up branch offices and carry out all other activities conducive towards achieving its purpose within the framework of the legal provisions of Chapter 15 of the Law of 2010 and the Law of 2013. The Company may not carry out any activity other than those listed in Article 101(2) of the Law of 2010 and Article 5(2) of the Law of 2013.

The Management Company complies with the requirements of the amended Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

The Management Company is responsible for the management and administration of the Fund. Acting on behalf of the Fund, it may take all management and administrative measures and exercise all rights directly or indirectly connected with the assets of the Fund or the sub-fund.

The Management Company acts independently of the Custodian Bank and solely in the interests of the investors when carrying out its activities.

The Management Company carries out its obligations with the care of a paid authorised agent.

The Board of Directors of the Management Company has appointed Marcel Ernzer, Christian Klein and Vincent Andres as Managing Directors and transferred all management responsibilities to them.

In addition to the Fund described in this Sales Prospectus, the Management Company also currently manages the following investment funds:

ADCIRCULUM (in liquidation), HELLERICH Global, Wallberg Blackstar African Fund (formerly Wallberg African All Stars), Wallberg Global Microfinance Fund, Prince Street Emerging Markets Flexible EUR, Wallberg Real Asset and Wallberg Strategie.

In connection with the management of the assets of the respective sub-fund, the Management Company may consult an investment adviser/fund manager under its own responsibility and control. The investment adviser/fund manager receives payment for the service provided either from the management fee of the Management Company or directly from the relevant sub-fund assets. The relevant percentage amount, as well as calculation and payment methods for each sub-fund, can be found in the relevant Annex to the Sales Prospectus.

Investment decisions, the placement of orders and the selection of brokers are the sole responsibility of the Management Company, insofar as no fund manager has been appointed to manage the respective sub-fund's assets.

The Management Company is entitled to outsource its activities to a third party, under its own responsibility and control. The delegation of duties must not impair the effectiveness of supervision by the Management Company in any way. In particular, the delegation of duties must not prevent the Management Company from acting in the interests of investors.

### **Custodian Bank**

The Custodian Bank of the Fund is **DZ PRIVATBANK S.A.** with its registered office located at 4, rue Thomas Edison, L-1445 Luxembourg-Strassen. The Custodian Bank is a public limited company (*Aktiengesellschaft*) pursuant to the law of the Grand Duchy of Luxembourg and conducts banking business. The function of the Custodian Bank is governed by the Law of 17 December 2010, the Custodian Bank Agreement, the Management Regulations (Article 3) and this Sales Prospectus (with Annexes). It acts independently of the Management Company and solely in the interest of the investors.

### **The registrar and transfer agent**

The registrar and transfer agent of the Fund is **DZ PRIVATBANK S.A.** , with its registered office located at 4, rue Thomas Edison, L-1445 Luxembourg-Strassen. The registrar and transfer agent is a public limited



company (*Aktiengesellschaft*) pursuant to the law of the Grand Duchy of Luxembourg. The duties of the registrar and transfer agent include the processing of applications and execution of orders for the subscription, redemption, exchange and transfer of units, as well as the keeping of the unit register.

### **The Central Administration Agent**

The Central Administration Agent of the Fund is **DZ PRIVATBANK S.A.**, with its registered office located at 4, rue Thomas Edison, L-1445 Luxembourg-Strassen. The Central Administration Agent is a public limited company (*Aktiengesellschaft*) pursuant to the law of the Grand Duchy of Luxembourg and its duties include, in particular, accounting and bookkeeping, calculation of the unit value and the drawing up of annual reports.

Under its own responsibility and control, the Central Administration Agent has delegated various administrative tasks (e.g. the calculation of net asset values) to Union Investment Financial Services S.A. with its registered office at 308, route d'Esch, L-1471 Luxembourg.

### **The Fund Manager**

The Management Company has appointed **ACATIS Investment GmbH**, a limited liability company under German law with its registered office located at Taunusanlage 18, D-60325 Frankfurt / Main, as Fund Manager of the Fund and has transferred its investment management duties to said company.

The Fund Manager must be authorised to carry out asset management and must be subject to proper prudential supervision.

The role of the Fund Manager is, in particular, to independently implement the day-to-day investment policy of the respective sub-fund and to manage the day-to-day transactions connected with asset management, as well as other related services under the supervision, responsibility and control of the Management Company. It must perform these tasks in line with the principles of the investment policy and investment restrictions of the respective sub-fund, as described in this Sales Prospectus, as well as the statutory investment restrictions.

The Fund Manager is authorised to select brokers and traders to carry out transactions using the Fund's assets. The Fund Manager is also responsible for investment decisions and placing orders.

The Fund Manager has the right, subject to approval by the Management Company, to seek advice from third parties, particularly from various investment advisers, at the cost of the Management Company and under its own responsibility.

Furthermore, the Fund Manager has the right to seek advice from third parties, particularly from various investment advisers, at its own cost and under its own responsibility.

With the approval of the Management Company, the Fund Manager is permitted to delegate some or all of its duties to third parties, whose remuneration will be borne in full by the Fund Manager. In this case, the Sales Prospectus shall be amended accordingly.

The Fund Manager bears all expenses incurred by it in connection with the services it provides. Commissions for brokers, transaction fees and other transaction costs arising in connection with the purchase and sale of assets are borne by the relevant sub-fund.

## **Legal position of investors**

The Management Company invests money paid into each sub-fund in its own name and for the collective account of the investors, in keeping with the principle of risk spreading in transferable securities and/or other legally permissible assets in pursuant to Article 41 of the Law of 17 December 2010. The funds invested and the assets acquired thereby constitute the respective sub-fund assets, which are held separately from the Management Company's own assets.

The investors are co-owners of the respective sub-fund's assets in proportion to their number of units. The units of the respective sub-fund are issued in the certificates and denominations stated in the Annex specific to the sub-fund. If registered units are issued, these are documented by the registrar and transfer agent in the unit register kept on behalf of the Fund. Confirmation of entry into the unit register shall be sent to the investors at the address specified in the unit register. The investors shall not be entitled to the physical delivery of unit certificates, regardless of whether bearer or registered units are issued.

In principle, all units in a sub-fund have the same rights, unless the Management Company decides to issue different classes of unit within the same sub-fund pursuant to Article 5(3) of the Management Regulations.

Provided that units of a fund are admitted for official trading on a stock exchange, this will be indicated in the relevant Annex to the Sales Prospectus.

The possibility cannot be ruled out that units of the respective sub-fund may be traded on other markets. (For example, inclusion in the unofficial transactions of a stock exchange).

The market price underlying stock market dealings or trading on other markets is not determined exclusively by the value of the assets held in the respective sub-fund, but also by supply and demand. Said market price can therefore differ from the unit price.

The Management Company asks investors to note that they can directly assert all their investor rights in relation to the Fund and/or sub-funds only if they are registered in the unitholders' register for the Fund or sub-fund under their own name. In cases where an investor has invested in a fund or sub-fund through an intermediary which undertakes investments in its name but on behalf of the investor, it is possible that said investor may not be able to directly assert all his rights in relation to the fund and/or sub-fund. Therefore, investors are advised to seek information regarding their rights.

### **General information on trading in sub-fund units**

Investing in the sub-funds should be regarded as a long-term commitment. The systematic purchase and sale of units for the purpose of exploiting time differences and/or possible weaknesses or any incompleteness of the valuation system of the net asset value by an investor ("market timing") may harm the interests of other investors. The Management Company rejects this arbitrage technique.

To prevent such practices, the Management Company reserves the right to reject, cancel or suspend an order from an investor for the subscription or exchange of units if the investor is suspected of engaging in market timing. The Management Company shall, in such cases, undertake suitable measures to protect the other investors of the sub-fund.

The Management Company strictly opposes the purchase or sale of units after the close of trading at already established or foreseeable closing prices ("late trading"). In all cases, the Management Company ensures that units are issued and redeemed on the basis of a unit value previously unknown to the investor. If, however, an investor is suspected of engaging in late trading, the Management Company may reject the subscription or redemption order until the applicant has cleared up any doubts with regard to his subscription or redemption order.

### **Investment policy**

The aim of the investment policy of the individual sub-funds is to achieve reasonable capital growth in the relevant sub-fund currency (as defined in Article 6(2) of the Management Regulations). Details of the investment policy of each sub-fund are described in the relevant Annexes to this Sales Prospectus.

The general investment principles and restrictions specified in Article 4 of the Management Regulations apply to all sub-funds, insofar as no derogations or additional provisions are contained in the relevant Annex to the Sales Prospectus for the respective sub-fund.

The respective sub-fund assets are invested pursuant to the principle of risk spreading within the meaning of the provisions of Part I of the Law of 17 December 2010 and in accordance with the investment policy principles described in Article 4 of the Management Regulations, as well as within the investment restrictions.

### **Information on techniques and instruments**

In accordance with the general provisions governing the investment policy referred to in Article 4 of the Management Regulations, the Management Company may make particular use of the following techniques and instruments for sub-funds:

#### **1. Option rights**

An option right is a right to buy ("call option") or sell ("put option") a particular asset at a predetermined time ("exercise date") or during a predetermined period at a predetermined price ("strike price"). The price of a call or put option is the option premium.

For each respective sub-fund, both call and put options may only be bought or sold insofar as the respective sub-fund is permitted to invest in the underlying assets pursuant to its investment policy, as specified in the relevant Annex.

#### **2. Financial futures contracts**

Financial futures contracts are unconditionally binding agreements for both contracting parties to buy or sell a certain amount of a certain base value at a pre-determined time (maturity date) at a price agreed in advance.

For the respective sub-fund, financial futures contracts may only be completed insofar as the respective sub-fund is permitted to invest in the underlying assets pursuant to its investment policy as specified in the relevant Annex.

### 3. Transferable securities lending

In order to achieve additional capital or income or to reduce its costs or risks, the respective sub-fund may carry out transferable securities lending transactions, provided such transactions are in line with the applicable Luxembourg laws and regulations, as well as CSSF circulars (including CSSF 08/356, CSSF 11/512 and CSSF 14/592).

- aa) The respective sub-fund may lend transferable securities either directly or through a standardised securities lending system organised by a recognised securities settlement or clearing house such as CLEARSTREAM and EUROCLEAR, or by a first-class financial institution that specialises in such transactions and which is subject to prudential supervisory provisions that the CSSF considers to be equivalent to EU stipulations. The counterparty in the transferable securities lending agreement (the borrower) must, in all cases, be subject to prudential supervisory provisions which the CSSF considers to be equivalent to EU stipulations. The respective sub-fund must ensure that, at any time, it is able to recall securities transferred within the framework of securities lending and that transferable securities lending transactions already entered into may be terminated. If the aforementioned institution is acting on its own account, it shall be considered to be the counterparty in the transferable securities lending agreement. If the respective sub-fund lends its transferable securities to companies affiliated with the sub-fund by way of common management or control, specific attention must be paid to any conflicts of interest that may arise therefrom. The respective sub-fund must receive collateral in accordance with the prudential supervisory requirements in respect of the counterparty risk and collateral provision, either prior to or simultaneously with the securities lent being transferred. At maturity of the transferable securities lending agreement, the collateral shall be remitted simultaneously or subsequently to the restitution of the transferable securities lent. Within the framework of a standardised securities lending system organised by a recognised securities settlement institution or a securities lending system organised by a financial institution which is subject to supervisory provisions that the CSSF considers to be equivalent to EU stipulations, and which specialises in this type of transaction, the transferable securities lent may be transferred before the receipt of the collateral if the intermediary (*intermédiaire*) in question assures the proper execution of the transaction. Such an intermediary may, instead of the borrower, provide the Fund with collateral that meets prudential supervisory requirements regarding counterparty risk and collateral provision. In this case, the agent is contractually bound to provide the collateral.
- bb) The respective sub-fund must ensure that the volume of the securities lending transactions is kept to an appropriate level or that it is entitled to request the return of the transferable securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the respective sub-fund's assets in accordance with its investment policy. The respective sub-fund must, in principle, ensure that it receives collateral for each transferable securities lending transaction and that the value of this collateral is equivalent to at least 90% of the global valuation (including interest, dividends and any other claims) of the transferable securities lent over the entire lifetime of the lending agreement.
- cc) Receipt of appropriate collateral

The respective sub-fund may take into account collateral conforming to the requirements stated herein in order to take into consideration the counterparty risk in transactions that include repurchase rights.

The respective sub-fund must proceed on a daily basis with the valuation of the collateral received. The agreement concluded between the respective sub-fund and the counterparty must include provisions to the effect that the counterparty must provide additional collateral at very short term if the value of the collateral already provided proves to be insufficient in relation to the amount to be covered. In addition, this agreement must stipulate safety margins which take into consideration the exchange risks or market risks inherent to the assets accepted as collateral.

The assets accepted as collateral are those forms of collateral stated in the section entitled "Counterparty risk".

Any collateral which is not provided in cash must be issued by a company which is not affiliated with the counterparty.

#### 4. Repurchase agreements

The Management Company shall be entitled to participate in repurchase agreements for the respective sub-fund, insofar as these consist in the buying and selling of transferable securities and contain the right or the obligation for the seller to buy back the sold securities back from the purchaser at a particular price and within a particular time period, which will be agreed between the parties at the time of conclusion of the agreement.

The Management Company may effect repurchase agreements either as the buyer or seller. However, any transactions of this kind are subject to the following guidelines:

- (a) Transferable securities may only be bought or sold via a repurchase agreement if the counterparty in the agreement is a first-class financial institute that specialises in this type of transaction.
- (b) During the term of the repurchase agreement, the transferable securities that are the subject of the agreement may not be sold before the counterparty has exercised the right to repurchase the transferable securities or before the deadline for the repurchase has expired.

When the Management Company concludes a repurchase agreement, it must ensure that it is able, at any time, to recall the full amount of cash or to terminate the repurchase agreement on either an accrued basis or a market-to-market basis. In addition, the Management Company must ensure that it is able, at any time, to recall any transferable securities subject to the repurchase agreement and to terminate the repurchase agreement into which it has entered.

The Management Company is authorised to make all necessary arrangements and, with the consent of the Custodian Bank, impose all necessary additional investment restrictions in order to comply with the conditions in countries in which units are to be sold.

#### 5. Forward exchange contracts

The Management Company may enter into forward exchange contracts for the respective sub-fund.

Forward exchange contracts are unconditionally binding agreements for both contracting parties to buy or sell a certain amount of the underlying foreign currencies at a certain time (maturity date) at a price agreed in advance.

## 6. Swaps

The Management Company may conclude swaps on behalf of the respective sub-fund within the framework of the investment principles.

A swap is a contract between two parties based on the exchange of payment flows, assets, income or risk. The swaps made for the respective sub-fund may include, but are not limited to, the following: interest, currency, equity and credit default transactions.

An interest swap is a transaction in which two parties swap cash flows which are based on fixed or variable interest payments. The transaction can be compared with the adding of funds at a fixed interest rate and the simultaneous allocation of funds at a variable interest rate, with the nominal sums of the assets not being swapped.

Currency swaps usually consist of the swapping of nominal sums of assets. They can be compared to borrowing in one currency and simultaneously lending in another.

A total return swap is an agreement to compensate the total return and/or all changes in market value of underlying financial instrument (base value or underlying asset) with the corresponding compensation payment between the contractual parties. Total return swaps may take on various forms, e.g. asset swaps or equity swaps:

Asset swaps, also known as "synthetic securities", are transactions that convert the yield from a particular asset into another rate of interest (fixed or variable) or into another currency, by combining the asset (e.g. bond, floating-rate note, bank deposit, mortgage) with an interest swap or currency swap.

An equity swap is the exchange of payment flows, value adjustments and/or income from an asset in return for payment flows, value adjustments and/or income from another asset, where at least one of the exchanged payment flows or incomes from an asset represents a share or a share index.

The Management Company may enter into swaps, provided the contracting party is a first-class financial institution specialising in such transactions and the respective sub-fund is allowed to invest in the underlying assets in accordance with its investment policy as specified in the relevant Annex.

The contracting parties may not exert any influence on the composition or management of the UCITS' investment portfolio or the underlying assets of the derivatives. Transactions in connection with the UCITS' investment portfolio do not require the consent of the counterparty.

For these sub-funds, the Management Company will not conduct total return swaps or other derivatives with the same characteristics.

## 7. Swaptions

A swaption is the right, but not the obligation, to enter into a swap, the conditions of which are clearly specified, at a given time or within a given period. In addition, the principles listed in connection with option dealing apply.

## 8. Techniques for the management of credit risks

The Management Company may also use credit linked notes, which are classed as transferable securities within the meaning of Article 4(1)(b) of the Management Regulations, as well as credit default swaps for the efficient management of the respective sub-fund assets, insofar as these are issued by first-class financial institutions and are in line with the investment policy of the respective sub-fund.

### 8.1 Credit default swaps (CDS)

Within the market for credit derivatives, a CDS represents the most widespread and the most quantitatively significant instrument. A CDS enables the credit risk to be separated from the underlying financial relationship. This separate trading of default risks extends the range of possibilities for systematic risk and income management. With a CDS, a protection buyer can hedge against certain risks arising from a debtor-creditor relationship by paying a periodic premium (calculated on the basis of the nominal amount) for transferring the credit risk to a protection seller for a defined period. This premium depends, among other things, on the quality of the underlying reference debtor(s) (= credit risk). The transferred risks are defined in advance as so-called credit events. As long as no credit event occurs, the CDS seller does not have to render a performance. If a credit event occurs, the seller pays the predefined amount (such as the par value or an adjustment payment equalling the difference between the par value of the reference assets and their market value) after the credit event occurs ("cash settlement"). The buyer then has the right to tender an asset of the reference debtor which is qualified in the agreement, whilst the buyer's premium payments are stopped as of this point. The respective sub-fund can act either as protection buyer or protection seller.

CDS are traded over the counter (OTC market), such that more specific, non-standard requirements of both counterparties can be addressed - at the price of lower liquidity.

The commitment of the obligations arising from the CDS must not only be in the exclusive interests of the Fund, but also be in harmony with its investment policy. For the purpose of the investment limits in accordance with Article 4(6) of the Management Regulations, both the asset underlying the CDS and the particular issuer must be taken into account.

A CDS is valued on a regular basis using verifiable and transparent methods. The Management Company and the auditor will monitor the verifiability and transparency of the valuation methods. The Management Company will rectify any differences ascertained as a result of the monitoring procedure.

### 8.2 Credit linked notes (CLN)

A CLN is a debt security issued by the protection buyer, which is only repaid at the end of the term at the nominal amount if a pre-determined credit event does not occur. Should the credit event occur, the CLN is paid back within a specified period of time after the deduction of an adjustment amount. In addition to the principal amount of the debt security and the interest thereon, a CLN provides for a risk premium which the issuer pays the investor for the right to reduce the amount to be repaid upon the occurrence of the credit event.

## 9. Remarks

The above-mentioned techniques and instruments can, where appropriate, be supplemented by the Management Company if new instruments corresponding to the investment objective are offered on the market, which the respective sub-fund may employ in accordance with the prudential supervisory and statutory provisions.

Through the use of techniques and instruments for efficient portfolio management, various direct/indirect costs may arise which are charged to the Fund's assets. These costs may be incurred both in relation to third parties and parties associated with the Management Company or the Custodian Bank.

### **Calculation of the unit value**

The net assets of the Fund are denominated in EUR ("reference currency").

The value of a unit ("unit value") is denominated in the currency set out in the respective Annex to the Sales Prospectus ("sub-fund currency"), insofar as no other currency is stipulated for any unit classes in the respective Annex to the Sales Prospectus ("unit class currency").

The unit value is calculated by the Management Company or a third party commissioned for this purpose by the Management Company, under the supervision of the Custodian Bank, on each banking day in Luxembourg with the exception of 24 and 31 December of each year ("valuation day"). In order to calculate the unit value, the value of the assets of each sub-fund, less the liabilities of each sub-fund (the "net sub-fund assets"), is determined on each valuation day, and this is divided by the number of sub-fund units in circulation on the valuation day and rounded to two decimal places. Further details on the calculation of the unit value are specified in Article 6 of the Management Regulations.

### **Issue of units**

1. Units are issued on each valuation day at the issue price. The issue price is the unit value pursuant to Article 6(4) of the Management Regulations, plus a front-end load payable to the sales agent, the maximum amount of which is regulated for each sub-fund in the respective Annex to this Sales Prospectus. The issue price may be increased by fees or other charges payable in the particular countries where the Fund is on sale.
2. Subscription orders for the acquisition of registered units may be submitted to the Management Company, Custodian Bank, registrar and transfer agent, sales agent and paying agents. The receiving agents are obliged to immediately forward all subscription orders to the registrar and transfer agent. Receipt by the registrar and transfer agent is decisive. This agent accepts the subscription orders on behalf of the Management Company.



Subscription orders for the acquisition of bearer units are forwarded to the registrar and transfer agent by the entity at which the subscriber holds his investment account. Receipt by the registrar and transfer agent is decisive.

Complete subscription orders received by the registrar and transfer agent no later than 17:00 on a valuation day shall be settled at the issue price of the following valuation day, provided the transaction value for the subscribed units is available. In any case, the Management Company ensures that units are issued on the basis of a unit value previously unknown to the investor. If, however, an investor is suspected of engaging in late trading, the Management Company may reject the subscription order until the applicant has cleared up any doubts with regard to his subscription order. Subscription orders received by the registrar and transfer agent after 17:00 on a valuation day shall be settled at the issue price of the second following valuation day.

If the equivalent of the subscribed registered units is not available at the time of receipt of the complete subscription order by the registrar and transfer agent or if the subscription order is incorrect or incomplete, the subscription order shall be regarded as having been received by the registrar and transfer agent on the date on which the equivalent of the subscribed units is available or the subscription order is submitted properly.

Upon receipt of the issue price by the Custodian Bank, the bearer units will be transferred by the Custodian Bank, by order of the Management Company, to the agent with which the applicant holds his investment account.

The issue price is payable within two valuation days of the relevant valuation day in the respective sub-fund currency, or if there are several unit classes, in the respective unit class currency at the Custodian Bank in Luxembourg.

3. For savings plans, a maximum of one-third of all payments agreed for the first year may be applied to covering costs. The remaining costs are distributed evenly across all later payments.
4. The circumstances under which the issue of units may be suspended are specified in Article 9 in conjunction with Article 7 of the Management Regulations.

### **Redeeming and exchanging units**

1. Investors are entitled to request the redemption of their units at any time at the unit value in accordance with Article 6(4) of the Management Regulations, less any redemption fee if applicable ("redemption price"). This redemption will only be carried out on a valuation day. If a redemption fee is payable, the maximum amount of this fee for each sub-fund is listed in the relevant Annex to this Sales Prospectus.

In certain countries, the redemption price may be reduced by local taxes and other charges. The corresponding unit is cancelled upon payment of the redemption price.

2. Payment of the redemption price, as well as any other payments to the investors, shall be made via the Custodian Bank or the paying agents. The Custodian Bank is only obliged to make payment insofar as there are no legal provisions, such as exchange control regulations or other circumstances beyond the Custodian Bank's control, prohibiting the transfer of the redemption price to the country of the applicant.

The Management Company may buy back units unilaterally against payment of the redemption price if this appears necessary in the interests of the investors or for the protection of the investors or a sub-fund.

3. The exchange of all units or of some units for units into units of another sub-fund will take place on the basis of the unit value of the relevant sub-funds calculated in accordance with Article 6(4) of the Management Regulations, taking into account any exchange fee. This fee, if applicable, is payable to the sales agent and is set at maximum 1% of the unit value of the units to be subscribed to, but must total at least the difference between the front-end load of the sub-fund of the units to be exchanged and the front-end load of the sub-fund whose units are being subscribed to. If no exchange fee is charged, this is specified for the sub-fund concerned in the relevant Annex to this Sales Prospectus.

In the event that different unit classes are offered within a single sub-fund, it is also possible to exchange units of one class for those of another within the same sub-fund, unless otherwise stipulated in the relevant Annex to this Sales Prospectus. In this case no exchange fee is charged.

The Management Company may reject an order for the exchange of units, if this is deemed in the interests of the Fund or the sub-fund or in the interests of the investors.

4. Complete orders for the redemption or exchange of registered units can be submitted to the Management Company, Custodian Bank, registrar and transfer agent, sales agent and paying agents. The receiving agents are obliged to immediately forward the redemption or exchange orders to the registrar and transfer agent.

An order for the redemption or exchange of registered units shall only be deemed complete if it contains the name and address of the investor, the number and/or transaction value of the units to be redeemed and/or exchanged, the name of the sub-fund and the signature of the investor.

Complete orders for the redemption or exchange of bearer units will be forwarded to the registrar and transfer agent by the agent with whom the investor holds his investment account.

Complete orders for the redemption and/or exchange of units received no later than 17:00 on a valuation day shall be settled at the unit value of the following valuation day, less any applicable redemption and/or exchange fees. In any case, the Management Company ensures that units are redeemed or exchanged on the basis of a unit value previously unknown to the investor. Complete orders for the redemption and/or exchange of units received by the Custodian Bank after 17:00 on a valuation day are allocated the unit value of the second following valuation day, less any applicable redemption fees and/or exchange fees.

The time of receipt of the redemption or exchange order by the registrar and transfer agent shall be decisive.

The redemption price is payable within two valuation days of the relevant valuation day in the respective sub-fund currency, or if there are several unit classes, in the respective unit class currency. In the case of registered units, payment is made to the account specified by the investor.

Any fractional amounts resulting from the exchange of units will be credited to the investor.

5. The Management Company is entitled to temporarily suspend the redemption or exchange of units due to the suspension of the calculation of the unit value.
6. Subject to prior approval from the Custodian Bank and while preserving the interests of the investors, the Management Company shall only be entitled to process significant volumes of redemptions after selling corresponding assets of the respective sub-fund without delay. In this case, the redemption shall occur at the redemption price valid at that time. The same shall apply for orders for the exchange of units. The Management Company shall, however, ensure that the respective sub-fund has sufficient liquid funds at its disposal such that, under normal circumstances, the redemption or exchange of units may take place immediately upon application from investors.

## **Risk information**

### **General market risk**

The assets in which the Management Company invests for the account of the sub-fund(s) are associated with risks as well as opportunities for growth in value. If a sub-fund invests directly or indirectly in transferable securities and other assets, it is subject to the general trends and tendencies of the markets (in particular the transferable securities markets), which are attributable to various and partially irrational factors. Losses can occur if the market value of the assets decreases compared to the cost price. If a unitholder sells units of the sub-fund at a time when the market price of assets in the sub-fund has decreased compared to the time of unit purchase, he will not get back the money he invested in the sub-fund to the full amount. Although each sub-fund aspires to achieve constant growth, this cannot be guaranteed. However, the investor's risk is limited to the amount invested. Investors are not obliged to provide any supplementary funding in addition to the money invested.

### **Interest rate risk**

Investing in fixed-rate transferable securities is associated with the possibility that the interest rate at the time of issuance of a security might change. If the interest rate increases compared to the interest at the time of issue, fixed-rate transferable securities will generally decrease in value. In contrast, if the interest rate falls, the price of fixed-rate transferable securities increases. These developments mean that the current yield of fixed-rate transferable securities roughly corresponds to the current interest rate. However, such fluctuations can vary depending on the maturity of the fixed-rate transferable securities. On the one hand, fixed-rate transferable securities with short maturities bear lower price risks than fixed-rate transferable securities with long maturities. On the other hand, fixed-rate transferable securities with short maturities generally have smaller yields than fixed-rate transferable securities with long maturities.

### **Credit risk**

The creditworthiness of the issuer (its ability and willingness to pay) of a transferable security or money market instrument held directly or indirectly by a sub-fund may subsequently fall. This normally leads to a fall in the price of the respective asset that exceeds general market fluctuations.

### **Company-specific risk**

The performance of the transferable securities and money market instruments held directly or indirectly by a sub-fund also depends on company-specific factors, such as the business position of the issuer. If the company-specific factors deteriorate, the market value of a given asset may fall substantially and permanently, even if stock market developments are otherwise generally positive.

**Default risk**

The issuer of a transferable security held directly or indirectly by a sub-fund or the debtor of a claim belonging to a sub-fund may become insolvent. The corresponding assets of the sub-fund may become worthless as a result of this.

**Counterparty risk**

In the case of transactions not conducted via a stock exchange or a regulated market (OTC transactions), transferable securities lending transactions or repurchase agreements, there is, in addition to the default risk, the risk that the counterparty to the transaction may fail to meet its obligations or fail to do so to the fullest extent. This applies in particular to transactions that use techniques and instruments. In order to reduce the counterparty risk associated with OTC derivatives, transferable securities lending transactions and repurchase agreements, the Management Company is authorised to accept collateral. This shall be carried out in accordance with the requirements of ESMA Guideline 2014/937. This collateral may take the form of cash, government bonds, bonds issued by a public international body belonging to one or more EU member states or covered bonds. Collateral in the form of cash may not be invested anew. All other collateral received is neither sold, reinvested or pledged. The Management Company implements incremental valuation discounts (a "haircut strategy") for the collateral received, taking into account the specific characteristics of the collateral and the issuer. Details of the minimum haircuts applied depending on the type of collateral are shown in the following table:

<b>Collateral</b>	<b>Minimum haircut</b>
Cash (sub-fund currency)	0%
Cash (foreign currencies)	8%
Government bonds	0.50%
Bonds issued by public international bodies belonging to one or more EU member states and covered bonds	0.50%

Further details of the haircuts applied may be requested from the Management Company free of charge at any time.

The provision of collateral is based on individual contractual agreements between the counterparty and the Management Company, in which, inter alia, the type and quality of collateral, haircuts, allowances and minimum transfer amounts are defined. The value of OTC derivatives and any collateral already provided is calculated on a daily basis. If, due to individual contractual agreements, an increase or decrease in collateral is necessary, this collateral shall be requested or claimed back from the counterparty. Information on the agreements may be requested from the Management Company free of charge at any time.

As regards the risk spreading of the collateral received, the maximum exposure to a specific issuer may not exceed 20% of the respective net assets of the sub-fund. By way of exception, Article 4(6)(h) of the Management Regulations shall apply to issuer risk on receipt of collateral from specific issuers.

Furthermore, the Management Company shall ensure the risk of default for transactions of the relevant sub-fund involving OTC derivatives does not exceed the following: 10% of the net sub-fund assets if the counterparty is a credit institution within the meaning of Article 41(1)(f) of the Law of 17 December 2010, and 5% of the net sub-fund assets in all other cases.

### **Currency risk**

If a sub-fund directly or indirectly holds assets denominated in foreign currencies, then it is subject to currency risk, unless the foreign currency positions are hedged. In the event of a devaluation of the foreign currency against the reference currency of the sub-fund, the value of the assets held in this foreign currency shall fall.

### **Industry risk**

If a sub-fund focuses its investments on specific industries, this reduces the risk spreading. As a result, the sub-fund shall be particularly dependent on both the general development of individual industries and the development of individual company profits within these industries, as well as the development of industries that mutually influence each other.

### **Country and regional risk**

If a sub-fund focuses its investment on specific countries or regions, this also reduces the risk spreading. Accordingly, the sub-fund shall be particularly dependent on the development of individual or mutually interdependent countries and regions, and/or on companies which are located and/or active in these countries or regions.

### **Country and transfer risk**

Economic or political instability in countries in which the sub-fund invests may mean that despite the solvency of the issuer of the respective transferable security or other form of asset, the funds owed to a sub-fund are received either in part or not at all, in another currency or not in good time. Decisive factors in this may include currency or transfer restrictions, a lack of willingness or capacity to carry out the transfer, or other legal changes. If the issuer pays in another currency, this position is additionally subject to a currency risk.

### **Liquidity risk**

Particularly in the case of illiquid (narrow-market) transferable securities, even moderately-sized orders may lead to considerable changes in prices for both purchases and sales. If an asset is not liquid, there is a risk that it may not be possible to sell the asset, or it may only be possible to sell it at a considerable discount. In the case of purchases, the illiquidity of an asset may cause the purchase price to rise considerably.

### **Custody risk**

Custody risk describes the risk arising from the fundamental possibility that the sub-fund's access to the assets held in safekeeping may be partly or fully withdrawn to its detriment in the event of the insolvency or negligent, deceitful or fraudulent dealings of the Depositary or a sub-depositary.

### **Emerging markets risks**

Investing in emerging markets entails investing in countries that are not included in the World Bank's category of "high GDP per capita" i.e. are not classified as "developed" countries. In addition to the risks specific to the asset class, investments in these countries are generally subject to higher risks, in particular heightened liquidity risk and general market risk. In emerging markets, political, economic or social instability or diplomatic incidents may hamper investments in these countries. Moreover, the processing of transactions in transferable securities from such countries may entail greater risks and be harmful to the investor, particularly due to the fact that it may not be possible or customary for transferable securities to be delivered immediately upon payment in such countries. The country and transfer risks described above are also significantly greater in these countries.

In addition, the legal and regulatory environment and the accounting, auditing and reporting standards in emerging markets may differ significantly from the level and standards which are otherwise customary on an international scale, to the detriment of an investor. This may not only lead to differences in government monitoring and regulation, but also to additional risks in connection with the assertion and settlement of claims of the Fund. In addition, a higher custody risk may exist in such countries, which can result in particular from different forms of the transfer of ownership of acquired assets. Emerging markets are generally more volatile and less liquid than markets in developed countries, which can entail greater fluctuations in the unit values of the sub-fund.

### **Specific risks of investing in high-yield assets**

High-yield assets constitute interest-bearing investments that are either rated non-investment grade by a recognised rating agency or are not rated at all, but that would presumably receive a rating of non-investment grade if they were rated. Such investments are subject to the same general asset class risks, but to a greater degree. In particular, such investments are generally associated with increased credit risk, interest rate risk, general market risk, company-specific risk and liquidity risk.

### **Inflation risk**

Inflation risk means the danger of financial losses as a result of the devaluation of currency. As a result of inflation, the income of a sub-fund as well as the value of the investments as such may decrease in terms of purchasing power. Different currencies are subject to inflation risk to a greater or lesser extent.

### **Settlement risk**

Particularly in the case of investment in unlisted transferable securities, there is a risk that settlement through a transfer system might not be carried out according to expectations, because of a payment or delivery which has been delayed or not been made as agreed.

### **Risks arising from the use of derivatives**

The leverage effect of option rights may result in a greater impact on the value of the sub-fund assets - both positive and negative - than would be the case with the direct acquisition of transferable securities and other assets. To this extent, their use is associated with special risks.

Financial futures which are used for a purpose other than hedging are also associated with considerable opportunities and risks, as only a fraction of the contract value (the margin) needs to be provided immediately.

Price changes may therefore lead to substantial profits or losses. As a result, the risk and the volatility of the sub-fund may increase.

Depending on the structure of swaps, the value thereof can be affected by any future change in the market interest rate (interest rate risk), counterparty insolvency (counterparty risk) or a change in the underlying. In principle, any future (value) changes to the underlying payment flows, assets, income or risks may lead to gains as well as losses in the Fund.

### **Risk of redemption suspension**

Investors may, as a matter of principle, request the redemption of their units from the Management Company on any valuation date. However, the Management Company may temporarily suspend the redemption of units under extraordinary circumstances and buy back the units at a later point at the price valid at that time (see Article 7 of the Management Regulations entitled "Suspension of calculation of the unit value" and Article 10 of the Management Regulations entitled "Redemption and exchange of units"). This price may be lower than the price before the suspension of the redemption of units.

The Management Company may also be forced to suspend the redemption of units in particular if one or more funds whose units were acquired for a sub-fund suspend(s) the redemption of their units, and such units make up a significant proportion of the net sub-fund assets.

### **Potential conflicts of interests**

The Management Company, its employees, representatives and/or associated companies may act as a member of the Board of Directors, Investment Adviser, Fund Manager, Central Administration Agent, registrar and transfer agent or as any other service provider on behalf of the Fund/sub-funds. The role of Custodian Bank can also be carried out by an associated company of the Management Company. The Management Company is aware that conflicts of interest may arise as a result of the various activities it carries out with respect to the management of the Fund/sub-fund. In accordance with the Law of 17 December 2010 and the applicable administrative provisions of the CSSF, the Management Company has put in place adequate and appropriate organisational structures and control mechanisms. In particular, it acts in the best interest of the Fund/sub-funds and ensures that conflicts of interest are avoided. When outsourcing tasks to third parties, the Management Company ensures that the third parties have taken the necessary measures for complying with all requirements pertaining to organisational structure and the prevention of conflicts of interest, as set forth in the applicable Luxembourg laws and regulations, and that these third parties monitor compliance with these requirements.

### **Risk profile**

The investment funds administered by the Management Company are classified as belonging to one of the following risk profiles. The risk profile for each sub-fund can be found in the Annex for the respective sub-fund. The descriptions of the following profiles were prepared under the assumption of normally functioning markets. In unforeseen market situations or market disturbances, non-functioning markets may result in additional risks beyond those listed in the risk profile.

Risk profile – Security-oriented

The Fund is appropriate for security-oriented investors. Due to the composition of the net sub-fund assets, there is a low degree of overall risk, but also a corresponding degree of profit potential. The risks may entail, in particular, currency risks, credit risks and price risks, as well as risks resulting from changes in market interest rates.

#### Risk profile – Conservative

The Fund is appropriate for conservative investors. Due to the composition of the net sub-fund assets, there is a moderate degree of overall risk, but also a moderate degree of profit potential. The risks may entail, in particular, currency risks, credit risks and price risks, as well as risks resulting from changes in market interest rates.

#### Risk profile – Growth-oriented

The Fund is suitable for growth-oriented investors. Due to the composition of the net sub-fund assets, there is a high degree of overall risk, but also a high degree of profit potential. The risks may entail, in particular, currency risks, credit risks and price risks, as well as risks resulting from changes in market interest rates.

#### Risk profile – Speculative

The Fund is suitable for speculative investors. Due to the composition of the net sub-fund assets, there is a very high degree of overall risk, but also a very high degree of profit potential. The risks may entail, in particular, currency risks, credit risks and price risks, as well as risks resulting from changes in market interest rates.

### **Risk management process**

The Management Company employs a risk management process enabling it to monitor and assess the risk connected with investment holdings as well as their share in the total risk profile of the investment portfolio of the funds it manages at any time. In accordance with the Law of 17 December 2010 and the applicable prudential supervisory requirements of the *Commission de Surveillance du Secteur Financier* ("CSSF"), the Management Company reports regularly to the CSSF about the risk management process used. Within the framework of the risk management process and using the necessary and appropriate methods, the Management Company ensures that the overall risk associated with derivatives of the funds managed does not go beyond the total net value of their portfolios. To this end, the Management Company makes use of the following methods:

- Commitment approach:

With the commitment approach, the positions from derivative financial instruments are converted into their corresponding underlying equivalents using the delta approach. In doing so, the netting and hedging effects between derivative financial instruments and their underlying assets are taken into account. The total of these underlying equivalents may not exceed the total net value of the Fund's portfolio.

- Value-at-risk (VaR) approach:



The VaR figure is a mathematical-statistical concept and is used as a standard risk measure in the financial sector. VaR indicates the possible loss of a portfolio that will not be exceeded during a certain period (the holding period) with a certain probability (the confidence level).

- Relative VaR approach:

With the relative VaR approach, the VaR of the Fund must not exceed the VaR of a reference portfolio by more than twice as much. The reference portfolio is essentially an accurate reflection of the Fund's investment policy.

- Absolute VaR approach:

With the absolute VaR approach, the VaR (99% confidence level, 20-day holding period) of the Fund may not exceed 20% of the Fund's assets.

For funds whose total risk is determined using VaR approaches, the Management Company estimates the anticipated degree of leverage. Depending on the respective market situation, this degree of leverage may deviate from the actual value and may be exceeded or fallen short of. Investors should be aware that no conclusions regarding the risk content of the Fund may be drawn from this data. In addition, the published anticipated degree of leverage is explicitly not to be considered an investment limit. The method used for determining the total risk and, if applicable, the disclosure of the benchmark portfolio and the anticipated degree of leverage, as well as its method of calculation, are indicated in the relevant Annex for the sub-fund.

## **Fund taxation**

The assets of the Fund are subject in the Grand Duchy of Luxembourg to a tax known as the "*taxe d'abonnement*", which currently amounts to 0.05% p.a., or 0.01% p.a. for the sub-funds or unit classes that are issued exclusively to institutional investors. The *taxe d'abonnement* is payable quarterly, based on the Fund's net assets reported at the end of each quarter. The amount of the *taxe d'abonnement* is specified for each sub-fund or unit class in the relevant Annex to the Sales Prospectus. Insofar as fund assets are invested in other Luxembourg investment funds that are already subject to the *taxe d'abonnement*, the portion of such assets is exempt from the tax.

The Fund's income derived from the investment of its assets is not subject to taxation in the Grand Duchy of Luxembourg. However, such income may be subject to a withholding tax in countries in which the Fund's assets are invested. In such cases, neither the Custodian Bank nor the Management Company are obliged to collect tax certificates.

## **Taxation of income from units held by the investor in the investment fund**

Pursuant to Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "Directive"), a withholding tax has been levied in the Grand Duchy of Luxembourg since 1 July 2005. This withholding tax applies to certain forms of interest income paid in Luxembourg to natural persons who are resident in another EU Member State for tax purposes. Under certain circumstances, investment fund interest income may also be subject to such withholding tax.

Under the Directive, the EU Member States agreed that all interest payments should be taxed in accordance with the regulations that apply in the state where a person is resident. To that end, an automatic exchange of information was stipulated between the national tax authorities. In deviation therefrom, it was agreed that for a transitional period, Luxembourg would not participate in the automatic exchange of information stipulated between the other states. Instead, Luxembourg introduced a withholding tax on interest income. As of 1 July 2011, this withholding tax amounts to 35% of the interest payments. This tax is remitted to the Luxembourg tax authority anonymously, and the investor is issued a certificate to this effect. The certificate enables the withholding tax so remitted to be applied fully against the tax liability of the taxpayer in their country of residence. By issuing authorisation for the voluntary participation in the exchange of information between tax authorities or by providing a "certificate permitting the collection of withholding tax to be waived" (*Bescheinigung zur Ermöglichung der Abstandnahme vom Quellensteuerabzug*) the collection of the withholding tax can be avoided.

Investors who are not resident in and/or do not maintain a business establishment in the Grand Duchy of Luxembourg are not required to pay any further income, inheritance or wealth tax in the Grand Duchy of Luxembourg in respect of their units or of income deriving therefrom. They are subject to national tax regulations.

Since 1 January 2006, natural persons who are resident in the Grand Duchy of Luxembourg and are not resident in another state for tax purposes have been required, in accordance with the Luxembourg law implementing the Directive, to pay a withholding tax of 10% on interest income listed therein. Under certain circumstances, investment fund interest income may also be subject to such withholding tax. At the same time, the Grand Duchy of Luxembourg abolished wealth tax.

Prospective unitholders should enquire about the laws and regulations that apply to the purchase, possession and redemption of units and, where necessary, seek advice.

### **Publication of the unit value and issue and redemption price**

The respective applicable unit value, issue and redemption price, as well as any other investor information, may be obtained at any time from the registered office of the Management Company, the Custodian Bank, the paying agents and any sales agents. The issue and redemption prices are also published on each stock exchange day on the Management Company's website ([www.wallberg.eu](http://www.wallberg.eu)).

### **Information for investors**

Various information (particularly notices to investors) is also published on the Management Company's website ([www.wallberg.eu](http://www.wallberg.eu)). In addition, notices will be published in Luxembourg in the "Mémorial" and in the "Tageblatt", where required by law, and also, if required, in another daily newspaper that has sufficient circulation.

The following documents are available for inspection free of charge during normal business hours on working days in Luxembourg (apart from Saturdays) at the registered offices of the Management Company:

- Articles of Association of the Management Company,

- Custodian Bank Agreement,
- Central Administration Agent Agreement,
- Registrar and Transfer Agent Agreement.

The current Sales Prospectus, the "Key Investor Information Document" as well as the annual and half-yearly reports for the Fund can be obtained free of charge from the Management Company's website ([www.wallberg.eu](http://www.wallberg.eu)). Hard copies of the current Sales Prospectus, the "Key Investor Information Document" as well as the relevant annual and half-yearly reports for the Fund are also available free of charge from the registered office of the Management Company, the Custodian Bank, the paying agents and any sales agents.

Investors can find information free of charge on the principles and strategies of the Management Company regarding the exercise of voting rights based on the assets held for the Fund at [www.wallberg.eu](http://www.wallberg.eu).

When implementing decisions regarding the acquisition or sale of assets for a sub-fund, the Management Company acts in the best interests of the investment fund. Information on the principles set forth by the Management Company in this regard can be found at [www.wallberg.eu](http://www.wallberg.eu).

Investors may address questions, comments and complaints to the Management Company in writing, including by e-mail. Information on the complaint procedure can be downloaded at no charge from the Management Company's website ([www.wallberg.eu](http://www.wallberg.eu)).

Information on payments the Management Company receives from third parties or pays to third parties may be requested from the Management Company free of charge at any time.

## Information for investors with regard to the United States of America

The Fund's units are not, have not been and will not be authorised in accordance with the latest version of the *U.S. Securities Act of 1933* (the "**Securities Act**") or the stock market regulations of individual federal states or local authorities of the United States of America or its territories or possessions either in the ownership or under the jurisdiction of the United States of America, including the Commonwealth of Puerto Rico (the "**United States**"), or otherwise registered or transferred, offered or sold directly or indirectly to or in favour of a U.S. person, as defined in the Securities Act.

The Fund is not and will not be authorised or registered in accordance with the latest version of the *US Investment Company Act of 1940* (the "*Investment Company Act*") or in accordance with the laws of individual federal states of the USA, and investors have no claim to the benefit of registration under said act.

In addition to the other requirements set out in the Prospectus, Management Regulations/Articles of Association or the subscription form, investors must (a) not be "U.S. persons" within the meaning of the definition of Regulation S of the Securities Act, (b) not be "specified U.S. persons" as defined in the Foreign Account Tax Compliance Act ("FATCA"), (c) be "non-U.S. persons" within the meaning of the Commodity Exchange Act and (d) not be "U.S. persons" within the meaning of the latest version of the U.S. Internal Revenue Code of 1986 (the "Code") and in accordance with the U.S. Treasury Regulations enacted pursuant to the Code. If you require further information, please contact the Management Company.

Persons who wish to acquire units must give written confirmation that they meet the requirements of the previous paragraph.

FATCA was passed as part of the *Hiring Incentives to Restore Employment Act* of March 2010 in the United States. FATCA obliges financial institutions outside of the United States of America ("foreign financial institutions" – FFI) to transfer information on an annual basis regarding the financial accounts held directly or indirectly by specified U.S. persons to the US tax authorities (Internal Revenue Service – IRS). A withholding tax of 30% will be deducted from certain types of US income from FFIs which do not meet this obligation.

On 28 March 2014, the Grand Duchy of Luxembourg entered into an Intergovernmental Agreement ("**IGA**"), in accordance with model 1, and a related *Memorandum of Understanding* with the United States of America.

The Management Company and the Fund both comply with the FATCA regulations.

The Fund's unit classes may be either

- (i) subscribed to by investors via a FATCA-compliant independent intermediary (*nominee*), or
- (ii) directly and indirectly via a sales agent (which only serves as an intermediary and does not act as a nominee) with the exception of:
  - *Specified U.S. persons*

This investor group includes those U.S. persons who are classified by the United States government as at risk with regard to tax avoidance and tax evasion practices. However this does not affect, inter alia, listed companies, tax-exempt organisations, real estate investment trusts (REITs), trusts, US securities dealers or similar entities.

- *passive non-financial foreign entities (or passive NFFE), whose substantial ownership is held by a U.S. person*

This investor group generally refers to all NFFE which (i) do not qualify as active NFFE or (ii) or which are not retained foreign partnerships or trusts in accordance with the relevant U.S. Treasury Regulations.

- *Non-participating Financial Institutions*

The United States of America grants this status due to the non-compliance of a financial institution which has not fulfilled stated requirements due to the breach of the terms of the respective country-specific IGAs within 18 months of first being advised.

If the Fund were to become subject to a withholding tax or reporting requirements or suffer other damages due to the absence of FATCA compliance by an investor, the Fund reserves the right, notwithstanding other rights, to enforce damages claims against the respective investor.

For any questions concerning FATCA and the FATCA status of the Fund, investors and potential investors are advised to contact their financial, tax and/or legal advisers.

## Annex 1

### ACATIS CHAMPIONS SELECT - ACATIS AKTIEN DEUTSCHLAND ELM

Supplementing and in derogation of Article 4 of the Management Regulations, the provisions outlined below shall apply to the sub-fund.

The Fund Manager uses the value approach when selecting stocks. This means stocks that are fundamentally undervalued and which have corresponding price potential. Investment decisions will be made with the intention of keeping them as long-term holdings (buy-and-hold strategy) and will be selected taking into consideration earnings, liquidity and market position (ELM).

#### Investment objectives

The objective of the investment policy of **ACATIS CHAMPIONS SELECT - ACATIS AKTIEN DEUTSCHLAND ELM** (the "sub-fund") is to achieve reasonable growth in the sub-fund currency while taking account of the investment risk.

The performance of the different unit classes of the sub-fund shall be indicated in the relevant "Key Investor Information Document".

**As a general rule, past results offer no guarantee of future performance. We cannot guarantee that the objectives of the investment policy will be achieved (see also the section "Risk information"). The Management Company will exclusively review the investment principles described in the investment policy.**

#### Investment policy

The sub-fund invests primarily in equities pursuant to Article 41(1) of the Luxembourg Law relating to undertakings for collective investment in transferable securities ("UCITS"), whose issuers have their registered office in the Federal Republic of Germany. In addition, equities may be acquired that are permitted for trade on a German stock exchange or are included in a German selection index. Furthermore, the sub-fund may invest up to 25% of its net assets in all transferable securities pursuant to Article 41(1) that do not fulfil the above-mentioned criteria.

It is also possible, albeit on a lesser scale, to invest in warrants for transferable securities and indices.

The sub-fund may also invest worldwide in certificates and fixed-term deposits.

These certificates are for legally permitted underlyings such as: equities, bonds, investment fund units, financial indices and currencies.

Investments in certificates can be used both for reducing risks compared to a direct equity investment and contributing to profit optimisation through different structures and strategies.

In general, a maximum of 49% of the net assets of the sub-fund may be invested in liquid funds. However, depending on the assessment of the market situation, a higher proportion of the net sub-fund assets may be held in liquid funds (over the short term), subject to the legally permissible limit, in

derogation (over the short term) of this 49% limit and the above-mentioned investment restriction. In addition, depending on the assessment of the market situation, the sub-fund may, over the short term, deviate from the above-mentioned investment focus and invest in liquid funds, if said investment focus is observed as a whole when taking into account the liquid funds.

Units in UCITS or other UCI may only be acquired up to a maximum limit of **10% of the sub-fund's assets, making the sub-fund eligible as a target fund.**

The use of derivative financial instruments (**derivatives**) is permitted in order to achieve the abovementioned investment goals, as well as for investment and hedging purposes. In addition to option rights, this also includes swaps and futures contracts on all permissible underlying instruments pursuant to the Law of 17 December 2010. Derivatives may be used only within the limits outlined in Article 4 of the Management Regulations. Further details on techniques and instruments can be found in the Sales Prospectus in the section "Information on techniques and instruments".

### **Risk profile of the sub-fund**

Risk profile – Speculative

The Fund is suitable for speculative investors. Due to the composition of the net sub-fund assets, there is a very high degree of overall risk, but also a very high degree of profit potential. The risks may entail, in particular, currency risks, credit risks and price risks, as well as risks resulting from changes in market interest rates.

Relative VaR approach

The relative VaR approach is used for monitoring and measuring the total risk of the investment holdings of the sub-fund. The related benchmark portfolio is the *Composite Dax Index (CDAX)*. The anticipated degree of leverage, calculated using the nominal value method (total of the nominal values of all relevant derivatives), was estimated at 0%-30% of the sub-fund's volume. It should be noted that a higher leverage effect is possible, subject to the legal limits. The above-mentioned reference portfolio is dependent on the portfolio allocation and can be adapted accordingly in the event of restructuring. This may entail updating the Sales Prospectus.

Securities ID No:	163701
ISIN:	LU0158903558
Sub-fund currency:	EUR
Initial subscription period:	2 December – 2 January 2003
Initial unit value:	EUR 50
Payment of the initial issue price:	6 January 2003

Initial issue price at the time of the transfer

on 1 February 2009:	Net asset value
Payment of the initial issue price at the time of the transfer:	Within two valuation days
End of the financial year of the Fund:	30 September
Annual report (audited)	30 September
half-yearly report (unaudited):	31 March
Type of certificates:	Bearer units are securitised in the form of global certificates; registered units are entered in the unit register.
Denomination:	Bearer and registered units will be issued with up to three decimal figures.
Minimum initial investment:	None
Minimum subsequent investment:	None
Savings plans for registered units which are held in the unit register, monthly from:	EUR 100
Savings plans for bearer units which are held in a bank custody account:	Information can be obtained from the institution that maintains your custody account
Withdrawal plan for registered units which are held in the unit register, monthly from: (from a saved amount of EUR 15,000)	EUR 100
<i>Taxe d'abonnement</i>	0.05% p.a.

The sub-fund is established for an indefinite period of time.

**Costs which can be reimbursed from the sub-fund's assets:**

**1. Management fee**

In return for managing the sub-fund, the Management Company receives a fee of up to 0.25% p.a. of the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month. VAT shall be added to this fee, as applicable.

**2. Fund management fee**



In return for the performance of its duties, the Fund Manager receives a fee of up to 1.55% p.a. of the net sub-fund assets, payable from the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month.

In addition, the Fund Manager receives a performance fee of up to 10% of the unit value performance in excess of a defined minimum performance (hurdle rate).

The defined hurdle rate is 6% p.a., prorated on each calculation day with respect to the previous days within the calculation period.

The performance of the unit value ("unit value performance") is calculated on each valuation day by comparing the actual unit value with the latest unit value of the previous calculation period. If there are different unit classes in the Fund, the unit value per unit class is used as a basis for the calculation.

To determine unit value performance, any dividend payments made in the meantime are taken into account, i.e. these are added to the actual unit value, from which these distributions had been deducted.

Beginning with the start of each financial year, the performance fee is calculated each valuation day on the basis of the unit value performance mentioned above and the average units in circulation during the financial year.

On the valuation days on which the unit value performance is greater than the defined hurdle rate (outperformance), the accrued total amount changes pursuant to the method presented above. On the valuation days on which the unit value performance is lower than the performance of the hurdle rate, the accrued total amount is eliminated. As a basis of calculation, the data of the previous valuation day (at financial year-end on the same day) are used.

The amount calculated on the last valuation day of the accounting period may, if a performance fee is payable, be paid out from the relevant unit class of the Fund at the end of the financial year.

If the unit value performance of a financial year is less than the agreed hurdle rate, this agreed minimum performance is not cumulative with the minimum performance of the following year.

VAT shall be added to this fee, as applicable.

### **3. Custodian Bank fee**

In return for the performance of its duties, the Custodian Bank receives a fee of up to 0.2% p.a. of the net sub-fund assets, subject to a minimum of EUR 1,250 per month, paid from the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month. VAT shall be added to this fee, as applicable.

### **4. Central Administration Agent fee**

In return for the performance of its duties, the Central Administration Agent receives fee of up to 0.04% p.a. of the net sub-fund assets, payable from the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month. Moreover, the Central Administration Agent receives a basic fee of up to EUR 1,400 per month. VAT shall be added to this fee, as applicable.

#### **5. Registrar and transfer agent fee**

In return for the performance of its duties (as stipulated in the Registrar and Transfer Agent Agreement), the registrar and transfer agent receives a fee of up to EUR 30 p.a. per investment account and up to EUR 45 p.a. per investment account in connection with a savings plan and/or withdrawal plan. This fee is calculated and paid out in arrears at the end of each calendar year. VAT shall be added to these fees, as applicable.

#### **6. Sales agent fee**

The sales agent receives a fee of up to 0.35% p.a. of the net sub-fund assets, payable from the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month. VAT shall be added to this fee, as applicable.

#### **7. Additional costs**

The sub-fund assets may also be obliged to bear the costs described in Article 11 of the Management Regulations.

#### **Costs to be borne by the investors**

Front-end load: (to the benefit of the sales agent)	Up to 5.5% of the unit price
Redemption fee:	None
Exchange fee: (in relation to the unit value of the units to be purchased and to the benefit of the sales agent)	Up to 1% of the unit price  (minimum amount: the difference between the front-end load of the sub-fund from which the units are to be exchanged and the front-end load of the sub-fund into which the exchange takes place)

#### **Use of income**

The income of the sub-fund is reinvested.

Detailed information regarding the use of income will, in principle, be published on the Management Company's website ([www.wallberg.eu](http://www.wallberg.eu)).

## Annex 2

### ACATIS CHAMPIONS SELECT - ACATIS ELM KONZEPT

Supplementing and in derogation of Article 4 of the Management Regulations, the provisions outlined below shall apply to the sub-fund.

#### Investment objectives

The objective of the investment policy of **ACATIS CHAMPIONS SELECT – ACATIS ELM KONZEPT** (the "sub-fund") is to achieve reasonable growth in the sub-fund currency while taking account of the investment risk.

Investment decisions are made taking into consideration earnings, liquidity and market position (ELM).

The performance of the different unit classes of the sub-fund shall be indicated in the relevant "Key Investor Information Document".

**As a general rule, past results offer no guarantee of future performance. We cannot guarantee that the objectives of the investment policy will be achieved (see also the section "Risk information"). The Management Company will exclusively review the investment principles described in the investment policy.**

#### Investment policy

To achieve the investment objectives, the sub-fund's assets are primarily invested worldwide in equities, bonds, structured products (such as reverse convertible bonds, warrant bonds and convertible bonds), certificates and units in funds ("target funds").

Units in funds that themselves invest in emerging markets may also be acquired.

These certificates are for legally permitted underlyings such as: equities, bonds, investment fund units, financial indices and currencies.

Investments in certificates can be used both for reducing risks compared to a direct equity investment and contributing to profit optimisation through different structures and strategies.

In the interest of the most favourable performance possible of the net sub-fund assets, different investment focal points may be established on the respective international financial markets, where the weighting of the individual investment instruments may be significantly increased or reduced depending on the capital market situation. For such purposes, the Management Company may also decide to fully invest the sub-fund in equities, bonds, structured products or certificates.

The Fund may also invest in fixed-term deposits.

In general, a maximum of 49% of the net assets of the sub-fund may be invested in liquid funds. However, depending on the assessment of the market situation, a higher proportion of the net sub-fund assets may be held in liquid funds (over the short term), subject to the legally permissible limit, in derogation (over the short term) of this 49% limit and the above-mentioned investment restriction. In

addition, depending on assessment of the market situation, the sub-fund may deviate from the above-mentioned investment focus over the short term and invest in liquid funds, if the investment focus is observed as a whole when taking into account the liquid funds.

Units in UCITS or other UCI ("target funds") may be acquired up to a maximum limit of **10% of the sub-fund's assets, making the sub-fund eligible as a target fund.**

The use of derivative financial instruments (**derivatives**) is permitted in order to achieve the abovementioned investment goals, as well as for investment and hedging purposes. In addition to option rights, this also includes swaps and futures contracts on all permissible underlying instruments pursuant to the Law of 17 December 2010. Derivatives may be used only within the limits outlined in Article 4 of the Management Regulations. Further details on techniques and instruments can be found in the Sales Prospectus in the section "Information on techniques and instruments".

All **investments in accordance with Article 4(3)** of the Management Regulations, along with investments in delta 1 certificates on commodities and precious metals, as well as on commodity indices, are limited to a total of 10% of the net sub-fund assets.

### **Risk profile of the sub-fund**

Risk profile – Conservative

The Fund is appropriate for conservative investors. Due to the composition of the net sub-fund assets, there is a moderate degree of overall risk, but also a moderate degree of profit potential. The risks may entail, in particular, currency risks, credit risks and price risks, as well as risks resulting from changes in market interest rates.

Absolute VaR approach

The absolute VaR approach is used for monitoring and measuring the total risk of the investment holdings of the sub-fund. The anticipated degree of leverage, calculated using the nominal value method (total of the nominal values of all relevant derivatives), was estimated at 0%-30% of the sub-fund's volume. It should be noted that a higher leverage effect is possible, subject to the legal limits.

Securities No:	A0LGV7
ISIN:	LU0280778662
Sub-fund currency:	EUR
Initial subscription:	20 March – 29 March 2007
Initial unit value:	EUR 100
Payment of the initial issue price:	2 April 2007

Initial issue price at the time of the transfer on 1 February 2009:	Net asset value
Payment of the initial issue price at the time of the transfer:	Within two valuation days
End of the financial year of the Fund:	30 September
Annual report (audited)	30 September
half-yearly report (unaudited):	31 March
Type of certificates:	Bearer units are securitised in the form of global certificates; registered units are entered in the unit register.
Denomination:	Bearer and registered units will be issued with up to three decimal figures.
Minimum initial investment:	None
Minimum subsequent investment:	None
Savings plans for registered units which are held in the unit register, monthly from:	None
Savings plans for bearer units which are held in a bank custody account:	Information can be obtained from the institution that maintains your custody account
Withdrawal plan for registered units which are held in the unit register, monthly from: (from a saved amount of EUR 20,000)	EUR 100
Withdrawal plans for bearer units held in a bank custody account:	Information can be obtained from the institution that maintains your custody account
<i>Taxe d'abonnement</i>	0.05% p.a.

The sub-fund is established for an indefinite period of time.

#### **Costs which can be reimbursed from the sub-fund's assets:**

##### **1. Management fee**

In return for managing the sub-fund, the Management Company receives a fee of up to 0.25% p.a. of the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month. VAT shall be added to this fee, as applicable.

## **2. Fund management fee**

In return for the performance of its duties, the Fund Manager receives a fee of up to 1% p.a. of the net sub-fund assets, payable from the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month.

In addition, the Fund Manager receives a performance fee of up to 20% of the unit value performance in excess of a defined minimum performance (hurdle rate).

The defined hurdle rate is 4 % p.a., prorated on each calculation day with respect to the previous days within the calculation period.

The performance of the unit value ("unit value performance") is calculated on each valuation day by comparing the actual unit value with the latest unit value of the previous calculation period. If there are different unit classes in the Fund, the unit value per unit class is used as a basis for the calculation.

To determine unit value performance, any dividend payments made in the meantime are taken into account, i.e. these are added to the actual unit value, from which these distributions had been deducted.

Beginning with the start of each financial year, the performance fee is calculated each valuation day on the basis of the unit value performance mentioned above and the average units in circulation during the financial year.

On the valuation days on which the unit value performance is greater than the defined hurdle rate (outperformance), the accrued total amount changes pursuant to the method presented above. On the valuation days on which the unit value performance is lower than the performance of the hurdle rate, the accrued total amount is eliminated. As a basis of calculation, the data of the previous valuation day (at financial year-end on the same day) are used.

The amount calculated on the last valuation day of the accounting period may, if a performance fee is payable, be paid out from the relevant unit class of the Fund at the end of the financial year.

If the unit value performance of a financial year is less than the agreed hurdle rate, this agreed minimum performance is not cumulative with the minimum performance of the following year.

VAT shall be added to this fee, as applicable.

## **3. Custodian Bank fee**

In return for the performance of its duties, the Custodian Bank receives a fee of up to 0.2% p.a. of the net sub-fund assets, subject to a minimum of EUR 1,250 per month, paid from the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month. VAT shall be added to this fee, as applicable.

## **4. Central Administration Agent fee**

In return for the fulfilment of its responsibilities, the Central Administration Agent receives remuneration of up to 0.04% p.a. of the net sub-fund assets, payable from the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month. In addition, the Central Administration Agent receives a basic fee of up to EUR 1,600 per month. VAT shall be added to this fee, as applicable.

## 5. Registrar and transfer agent fee

In return for the performance of its duties, the registrar and transfer agent receives a fee from the net sub-fund assets of up to EUR 25 p.a. per investment account and up to EUR 40 per investment account in connection with a withdrawal plan plus a basic fee of EUR 3,000 p.a. This fee is calculated and paid out in arrears at the end of each calendar year. VAT shall be added to these fees, as applicable.

## 6. Sales agent fee

The sales agent receives a fee of up to 0.3% p.a. of the net sub-fund assets, payable from the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month. VAT shall be added to this fee, as applicable.

## 7. Additional costs

The sub-fund assets may also be obliged to bear the costs described in Article 11 of the Management Regulations.

### Costs to be borne by the investors

Front-end load: (to the benefit of the sales agent)	Up to 3% of the unit price
Redemption fee:	None
Exchange fee: (in relation to the unit value of the units to be purchased and to the benefit of the sales agent)	Up to 1% of the unit price  (minimum amount: the difference between the front-end load of the sub-fund from which the units are to be exchanged and the front-end load of the sub-fund into which the exchange takes place)

### Use of income

The sub-fund's income will be distributed. The distributions shall be made at intervals as determined from time to time by the Management Company. The bearers of registered units will be accounted for in the unit register with a number of units in the sub-fund corresponding to the amount of the distribution. Upon request, distributions will be paid directly to an account indicated by the investor. If the issuing fee was originally paid by direct debit, distributions will be paid to the same account.

Detailed information regarding the use of income will, in principle, be published on the Management Company's website ([www.wallberg.eu](http://www.wallberg.eu)).

## Annex 3

### ACATIS CHAMPIONS SELECT - ACATIS VALUE PERFORMER

Supplementing and in derogation of Article 4 of the Management Regulations, the provisions outlined below shall apply to the sub-fund.

#### Investment objectives

The objective of the investment policy for **ACATIS CHAMPIONS SELECT - ACATIS VALUE PERFORMER** (the "sub-fund") is to achieve reasonable growth in the sub-fund currency taking account of the investment risk.

The performance of the different unit classes of the sub-fund shall be indicated in the relevant "Key Investor Information Document".

**As a general rule, past results offer no guarantee of future performance. We cannot guarantee that the objectives of the investment policy will be achieved. The Management Company will exclusively review the investment principles described in the investment policy.**

#### Investment policy

In order to achieve its investment objectives, the sub-fund generally has the possibility of investing without restriction in equities, bonds, money market instruments, certificates, other structured products (e.g. reverse convertible bonds, warrant-linked bonds, convertible bonds), target funds and fixed-term deposits, depending on the market situation and assessment by the Fund Management. These certificates are for legally permitted underlyings such as: equities, bonds, investment fund units, financial indices and currencies.

Investment in equities and equity funds is limited to a total of 70% of sub-fund assets.

At least 10% of sub-fund assets must be invested in bonds, bond funds, bond index funds, money market funds and/or certificates and/or liquid funds.

In general, a maximum of 49% of the net sub-fund assets may be invested in liquid assets. However, depending on the assessment of the market situation, a higher proportion of the net fund assets may be held in liquid assets (over the short term), subject to the legally permissible limits, in derogation (over the short term) of this investment restriction. More than 10% of the net sub-fund assets may be invested in units in UCITS and UCIs ("target funds"), making the sub-fund **not eligible as a target fund**.

The use of derivative financial instruments (derivatives) is permitted in order to achieve the abovementioned investment goals, as well as for investment and hedging purposes. In addition to option rights, this also includes swaps and futures contracts on all permissible underlying instruments pursuant to the Law of 17 December 2010. Derivatives may be used only within the limits outlined in Article 4 of the Management Regulations. Further details on techniques and instruments can be found in the Sales Prospectus in the section "Information on techniques and instruments".



All **investments in accordance with Article 4(3)** of the Management Regulations, along with investments in delta 1 certificates on commodities and precious metals, as well as on commodity indices, are limited to a total of 10% of the net sub-fund assets.

### **Risk profile of the sub-fund**

Risk profile - Growth-oriented

The Fund is suitable for growth-oriented investors. Due to the composition of the net sub-fund assets, there is a high degree of overall risk, but also a high degree of profit potential. The risks may entail, in particular, currency risks, credit risks and price risks, as well as risks resulting from changes in market interest rates.

Relative VaR approach

The relative VaR approach is used for monitoring and measuring the total risk of the investment holdings of the sub-fund. The related benchmark portfolio is composed of *40% JPM Global Aggregate Bond Index and 60% MSCI World*. The anticipated degree of leverage, calculated using the nominal value method (total of the nominal values of all relevant derivatives), was estimated at 0%-30% of the sub-fund's volume. It should be noted that a higher leverage effect is possible, subject to the legal limits. The above-mentioned reference portfolio is dependent on the portfolio allocation and can be adapted accordingly in the event of restructuring. This may entail updating the Sales Prospectus.

Securities No:	A0M80B
ISIN:	LU0334293981
Initial issue period:	21 January – 29 February 2008
Sub-fund currency	EUR
Initial unit value:	EUR 100
Payment of the initial issue price:	4 March 2008
Initial issue price at the time of the transfer on 1 February 2009:	Net asset value
Payment of the initial issue price at the time of the transfer:	within two valuation days
End of the financial year of the Fund:	30 September
Annual report (audited)	30 September
half-yearly report (unaudited):	31 March
Type of certificates:	Bearer units are securitised in the form of global

	certificates; registered units are entered in the unit register.
Denomination:	Bearer and registered units will be issued with up to three decimal figures.
Minimum initial investment:	None
Minimum subsequent investment:	None
Savings plans for registered units which are held in the unit register, monthly from:	EUR 100
Savings plans for bearer units which are held in a bank custody account:	Information can be obtained from the institution that maintains your custody account
Withdrawal plans for registered units which are contained in the unit register, monthly from: (from a saved amount of EUR 20,000)	None
Withdrawal plans for bearer units held in a bank custody account:	Information can be obtained from the institution that maintains your custody account
<i>Taxe d'abonnement</i>	0.05% p.a.

The sub-fund is established for an indefinite period of time.

### **Costs which can be reimbursed from the sub-fund's assets:**

#### **1. Management fee**

In return for managing the sub-fund, the Management Company receives a fee of up to 0.07% p.a. of the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month. In addition, the Management Company receives a flat monthly fee of up to EUR 416.67, which is paid at the end of the month. VAT shall be added to this fee.

#### **2. Fund management fee**

In return for the performance of its duties, the Fund Manager receives a fee of up to 0.5% p.a. of the net sub-fund assets, payable from the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month.

In addition, the Fund Manager receives a performance fee of 20% of the unit value performance exceeding a defined minimum performance (hurdle rate) if the unit value at the financial year-end is higher than the highest unit value at the end of the previous financial years or higher than the initial unit value at the end of the first financial year (high water mark principle).

The defined hurdle rate is 6 % p.a. prorated on each calculation day with respect to the previous days within the calculation period.

High water mark principle: The relevant unit value as at 30 September 2013 shall be used as the high water mark for the first calculation period. If the unit value on the last valuation day of a subsequent financial year is above the high water mark, the high water mark is set to the calculated unit value on the last valuation day of the financial year. In all other cases, the high water mark remains unchanged.

The performance of the unit value ("unit value performance") is calculated on each valuation date by comparing the actual unit value with the highest unit value of the previous financial year end (high water mark). If there are different unit classes in the Fund, the unit value per unit class is used as a basis for the calculation.

To determine unit value performance, any dividend payments made in the meantime are taken into account, i.e. these are added to the actual unit value, from which these distributions had been deducted.

Beginning with the start of each financial year, the performance fee is calculated on each valuation day on the basis of the unit value performance mentioned above, the average units in circulation during the financial year and the highest unit value at the ends of the previous financial years (high water mark).

On the valuation days on which the performance of the unit value is greater than the defined hurdle rate (out-performance) and the current unit value exceeds the high water mark, the accrued total amount changes pursuant to the method presented above. On the valuation days on which the performance of the unit value is lower than the defined hurdle rate or the current unit value is lower than the high water mark, the accrued total amount is eliminated. As a basis of calculation, the data of the previous valuation day (at financial year-end on the same day) are used.

The amount calculated on the last valuation day of the accounting period may, if a performance fee is payable, be paid out from the relevant unit class of the Fund at the end of the financial year.

If the unit value performance of a financial year is less than the agreed hurdle rate, this agreed minimum performance is not cumulative with the minimum performance of the following year.

VAT shall be added to this fee, as applicable.

### **3. Custodian Bank fee**

In return for the performance of its duties, the Custodian Bank receives a fee of up to 0.12% p.a. of the net sub-fund assets, subject to a minimum of EUR 2,000 per month, paid from the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month. VAT shall be added to this fee, as applicable.

### **4. Central Administration Agent fee**

In return for the performance of its duties, the Central Administration Agent receives a fee of up to 0.03% p.a. of the net sub-fund assets, payable from the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month. In addition, the Central Administration Agent receives a basic fee of up to EUR 1,200 per month. VAT shall be added to this fee, as applicable.

## 5. Registrar and transfer agent fee

In return for the performance of its duties (as stipulated in the Registrar and Transfer Agent Agreement), the registrar and transfer agent receives a fee in accordance of up to EUR 25 p.a. per investment account and up to EUR 40 per investment account in connection with a withdrawal and/or savings plan plus a basic fee of up to EUR 3,000 p.a. This fee is calculated and paid out in arrears at the end of each calendar year. VAT shall be added to these fees, as applicable.

## 6. Sales agent fee

The sales agent receives a fee of up to 1% p.a. of the net sub-fund assets, payable from the net sub-fund assets. This fee is calculated and paid pro rata monthly in arrears at the end of the month. VAT shall be added to this fee, as applicable.

## 7. Additional costs

The sub-fund assets may also be obliged to bear the costs described in Article 11 of the Management Regulations.

### Costs to be borne by the investors

Front-end load: (in favour of any sales agent)	Up to 5% of the unit price
Redemption fee:	None
Exchange fee: (in relation to the unit value of the units to be purchased and to the benefit of any sales agent)	Up to 1% of the unit price  (minimum amount: the difference between the front-end load of the sub-fund from which the units are to be exchanged and the front-end load of the sub-fund into which the exchange takes place)

### Use of income

The sub-fund's income will be distributed. The distributions shall be made at intervals as determined from time to time by the Management Company. The bearers of registered units will be accounted for in the unit register with a number of units in the sub-fund corresponding to the amount of the distribution. Upon request, distributions will be paid directly to an account indicated by the investor. If the issuing fee was originally paid by direct debit, distributions will be paid to the same account.

Detailed information regarding the use of income will, in principle, be published on the Management Company's website ([www.wallberg.eu](http://www.wallberg.eu)).



## Management Regulations

The Management Regulations set forth the contractual rights and obligations of the Management Company, the Custodian Bank and the investors in relation to the investment fund. The Management Regulations first entered into force on 4 January 2002 and were published on 29 January 2002 in the "*Mémorial, Recueil des Sociétés et Associations*", the Official Journal of the Grand Duchy of Luxembourg ("*Mémorial*").

The Management Regulations were last amended on 1 January 2015, and a notice of their deposit with the Luxembourg Trade and Companies Register was published in the *Mémorial* on 22 January 2015.

### Article 1 – The Fund

1. The Fund **ACATIS CHAMPIONS SELECT** (the "Fund") is a legally dependent investment fund (*fonds commun de placement*) consisting of transferable securities and other assets (the "Fund assets") which are managed for the joint account of the unitholders ("investors") observing the principle of risk spreading. The Fund consists of one or more sub-funds pursuant to Article 181 of the Law of 17 December 2010 relating to undertakings for collective investment ("Law of 17 December 2010"). The sub-funds as a whole make up the Fund. The investors are co-owners of the fund assets in proportion to their number of units.
2. The contractual rights and obligations of the investors, Management Company and Custodian Bank are governed by these Management Regulations, whose valid version and any amendments thereto are deposited with the Trade and Companies Register in Luxembourg and a notice of this deposit is published in the *Mémorial*. In purchasing units, the investor acknowledges the Management Regulations and any approved amendments thereto published by way of the notice of deposit.
3. The Management Company shall also generate a Sales Prospectus (plus Annexes) in accordance with the law of the Grand Duchy of Luxembourg.
4. The Fund's net assets (i.e. the total of all assets less all liabilities of the Fund) must reach EUR 1,250,000 within six months of the time of approval of the Fund. This figure pertains to the net assets of the Fund as a whole arising from the sum of the net assets of the sub-funds.
5. The Management Company is authorised to establish additional sub-funds at any time. If this is the case, the Sales Prospectus shall be supplemented with a corresponding Annex. Sub-funds may be set up for indefinite periods.
6. Each of the sub-funds is considered an independent investment fund with regard to the legal ties of the investors in relation to each other. The rights and obligations of the investors of a sub-fund are separate from those of the investors of the other sub-funds. Each individual sub-fund shall only be liable for claims of third parties incurred by that specific sub-fund.
7. The unit value is calculated separately for each sub-fund in accordance with the rules set forth in Article 6 of these Management Regulations.

## Article 2 – The Management Company

1. The Management Company of the Fund is **Wallberg Invest S.A.** (the "Management Company"), a public limited company (*Aktiengesellschaft*) pursuant to the law of the Grand Duchy of Luxembourg, with its registered office at 4, rue Thomas Edison, L-1445 Luxembourg-Strassen. It was established for an indefinite period on 19 March 2008.
2. The Management Company is represented by its Board of Directors. The Board of Directors may entrust one or several of its members and/or employees of the Management Company with conducting day-to-day business operations, as well as other persons with the execution of management functions and/or the day-to-day investment policy.
3. The Management Company manages the Fund, independently of the Custodian Bank, on its own behalf but exclusively in the interests of and for the joint account of the investors in accordance with these Management Regulations. Management authority extends to the exercise of all rights related directly or indirectly to the assets of the Fund or its sub-funds.
4. The Management Company shall determine the investment policy of the Fund, taking account of the legal and contractual investment restrictions. The Management Company is authorised to invest the sub-fund assets in accordance with the provisions stated in these Management Regulations and in the Annex to the Sales Prospectus for the respective sub-funds and otherwise to undertake all transactions, which are necessary for the management of the sub-fund assets.
5. The Management Company is obliged to employ a risk-management process enabling it to monitor and measure the risk connected with the investment holdings, as well as their contribution to the overall risk profile of the investment portfolio, at all times. It must also employ a process for accurate and independent assessment of the value of OTC derivatives. It must provide regular information to the Luxembourg supervisory authorities, in accordance with the process these have laid down, concerning the kinds of derivatives in the portfolio, the risks connected with the underlying instruments, the investment limits and the methods employed to assess the risks bound up with derivative transactions.
6. The Management Company may, under its own responsibility and control, call on the services of an Investment Adviser and/or Fund Manager at the expense of the respective sub-fund assets.

Fund management duties may only be transferred to a company that holds approval or authorisation for asset management. The transfer of fund management duties must comply with the investment guidelines set down by the Management Company.

Moreover, the Management Company may seek the counsel of an investment committee, whose composition shall be determined by the Management Company.

7. At its own expense and under its own responsibility, the Investment Adviser may make use of third-party natural or legal persons and sub-investment advisers in order to carry out its duties, provided it has obtained the prior consent of the Management Company.

### Article 3 – The Custodian Bank

1. The Custodian Bank of the Fund is **DZ PRIVATBANK S.A.**, a public limited company (*Aktiengesellschaft*) pursuant to the law of the Grand Duchy of Luxembourg with its registered office located at 4, rue Thomas Edison, L-1445 Luxembourg-Strassen, which carries out banking activities. The function of the Custodian Bank is governed by the Law of 17 December 2010, the Custodian Bank Agreement, the Management Regulations and the Sales Prospectus (with Annexes).
2. The Custodian Bank carries out all transactions related to the day-to-day administration of the Fund assets. The Custodian Bank must act independently of the Management Company and solely in the interests of the investors when carrying out its tasks. However, it shall observe the instructions of the Management Company, unless these are in breach of legal provisions or the Management Regulations.
3. The Custodian Bank is commissioned with the safekeeping of the assets of the sub-funds.
  - (a) The Custodian Bank holds in its safekeeping all transferable securities, other legally permissible assets and liquid assets, which constitute the Fund's assets, in blocked accounts or blocked securities accounts over which it may only dispose in accordance with the provisions of the Custodian Bank Agreement, the Sales Prospectus (with Annex and the Management Regulations) (the "Sales Prospectus") and any applicable law.
  - (b) The Custodian Bank may commission third parties with the safekeeping of the assets, provided it retains its responsibility therefor and supervision thereof.
4. Insofar as permissible by law, the Custodian Bank is entitled and obliged, in its own name, to:
  - (a) assert claims of investors against the Management Company or a previous custodian bank;
  - (b) to raise objections against enforcement measures taken by third parties and take action if a claim is being enforced on the assets of a sub-fund for which a sub-fund is not liable.

The provision under a) above does not exclude the direct assertion of claims by investors against the bodies of the Management Company or the previous custodian bank.

5. The Management Company is both entitled and obliged to enforce claims of investors against the Custodian Bank in its own name. This does not exclude the direct assertion of claims against the Custodian Bank by the investors, insofar as the Management Company fails to respond to written communication from one or more investors within three months of receiving said communication.
6. From the blocked accounts or blocked securities account of the respective sub-fund, the Custodian Bank pays the Management Company solely the fees and reimbursement of expenses set out in these Management Regulations and the currently valid Sales Prospectus (plus Annexes).

The Custodian Bank has a right to the fees to which it is entitled pursuant to these Management Regulations, the currently valid Sales Prospectus (including Annexes) and the Custodian Bank Agreement. It receives these from the blocked accounts of the respective sub-fund only with the approval of the Management Company.



The Custodian Bank shall further ensure that the respective sub-fund assets are only charged the costs of third parties pursuant to the Management Regulations and the Sales Prospectus (with Annexes) and in accordance with the Custodian Bank Agreement.

#### **Article 4 – General provisions governing the investment policy**

The aim of the investment policy of the individual sub-funds is to achieve reasonable capital growth in the respective currency of the sub-fund (as defined in Article 6(2) of the Management Regulations in conjunction with the relevant Annex to this Sales Prospectus). Details of the investment policy of each sub-fund are described in the relevant Annexes to this Sales Prospectus.

Each sub-fund may buy and sell only those assets that can be valued in accordance with the valuation criteria set out in Article 6 of the Management Regulations.

The following general investment principles and restrictions apply to all sub-funds, insofar as no derogations or additional provisions are contained in the relevant Annex to this Sales Prospective for a particular sub-fund.

The respective sub-fund assets are invested pursuant to the principle of risk spreading within the sense of the provisions of Part I of the Law of 17 December 2010 and in accordance with the following investment policy principles and investment restrictions.

1. Definitions:

a) "Regulated market"

A regulated market is a market for financial instruments within the meaning of Article 4 no. 21 of Directive 2014/65/EU of the European Parliament and Council dated 15 May 2014 on markets for financial instruments as well as amending Directives 2002/92/EC and 2011/61/EU.

b) "Transferable securities"

The term "transferable securities" denotes:

- shares or other securities equivalent to shares (hereinafter "shares"),
- bonds or other forms of securitised debt (hereinafter "debt instruments"),
- all other marketable transferable securities giving the right to acquire transferable securities via subscription or exchange.

The techniques and instruments specified in Article 42 of the Law of 17 December 2010 are excluded.

c) "Money market instruments"

The term "money market instruments" refers to instruments that are normally traded on the money markets, are liquid and the value of which can be determined at any time.

d) "UCI"

Undertakings for collective investment.

e) "UCITS"

Undertakings for collective investment in transferable securities which are subject to Directive 2009/65/EC.

For each UCITS that consists of multiple sub-funds, each sub-fund is considered to be its own UCITS for the purposes of applying the investment limits.

## 2. Only

a) transferable securities and money market instruments may be acquired that have been admitted to a regulated market as defined in Directive 2004/39/EC or are traded on it;

b) transferable securities and money market instruments may be acquired that are traded on another regulated market in an EU Member State ("Member State") which is recognised, open to the public and operates regularly;

c) transferable securities and money market instruments may be acquired that are admitted to official listing on a stock exchange in a non-Member State of the European Union or on another regulated market of a non-Member State of the European Union which is recognised, open to the public and operates regularly,

d) recently issued transferable securities and money market instruments may be acquired, provided their terms of issue include an undertaking that an application will be made for admission to official listing to a stock exchange or another regulated market which is recognised, open to the public and operates regularly and that this admission is secured within one year of the issue date.

The transferable securities and money market instruments referred to in points 2(c) and (d) above shall be officially listed or traded in North America, South America, Australia (including Oceania), Africa, Asia and/or Europe.

e) units in undertakings for collective investment in transferable securities ("UCITS") may be acquired, which have been approved in accordance with Directive 2009/65/EC, and/or other undertakings for collective investment ("UCI") within the meaning of Article 1(2)(a) and (b) of Directive 2009/65/EC, irrespective of whether they are established in a Member State, provided that:

- these UCIs are authorised under laws which provide that they are subject to supervision considered by the Luxembourg supervisory authorities to be equivalent to that laid down in EU law, and that cooperation between authorities is sufficiently ensured (at present the United States of America, Canada, Switzerland, Hong Kong, Japan, Norway and Liechtenstein);

- the level of protection for the investors in these UCI is equivalent to that provided for the investors in a UCITS, and particularly the provisions concerning the asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business of the other UCIs is reported in half-yearly and annual reports which enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the assets of the UCITS or of the other UCIS, whose acquisition is contemplated, may, according to their fund rules or instruments of incorporation, be invested in aggregate in units of other UCITS or other UCIs;
- f) deposits may be placed with credit institutions that are repayable on demand or have the right to be withdrawn, and that mature in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the credit institution has its registered office in a non-EU Member State, provided that it is subject to prudential rules considered by the Luxembourg supervisory authorities as equivalent to those laid down in EU law;
- g) derivative financial instruments ("derivatives") may be acquired, including equivalent instruments settled in cash, which are traded on one of the regulated markets referred to in sections (a), (b) or (c), and/or derivative financial instruments which are traded over the counter ("OTC derivatives"), provided that
- the underlying of the derivative consists of instruments within the meaning of Article 41(1) of the Law of 17 December 2010, or financial indices, interest rates, foreign exchange rates or currencies in which the Fund may invest according to its investment objectives as stated in these Management Regulations;
  - the counterparties in transactions with OTC derivatives are first-class institutions that are subject to prudential supervision, belong to the categories approved by the Luxembourg supervisory authority and are specialised in this type of business;
  - the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;
- h) money market instruments may be acquired, which are not traded on a regulated market and which fall under Article 1 of the Law of 17 December 2010, if the issue or the issuer of these instruments is already regulated for the purpose of protecting investors and deposits, and provided they are:
- issued or guaranteed by a central, regional or local authority or the central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a non-Member State or, in the case of a federal state, by one of the

members making up the federation, or by a public international body, to which at least one Member State belongs, or

- issued by an undertaking whose transferable securities are traded on the regulated markets referred to in letters (a), (b) or (c) of this Article, or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authorities to be at least as stringent as those laid down by EU law;
- issued by other bodies belonging to the categories approved by the Luxembourg supervisory authorities, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second or third bullet points and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with Fourth Council Directive 78/660/EEC, or which is an entity which, within a group of companies that includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles that benefit from a banking liquidity line.

3. However, up to 10% of the net assets of a particular sub-fund may be invested in transferable securities and money market instruments other than those mentioned in section (2) of this Article.

#### 4. Techniques and Instruments

- (a) Under the conditions and within the limits set out by the Luxembourg supervisory authorities, each sub-fund may employ techniques and instruments relating to transferable securities and money market instruments, provided that such techniques and instruments are used for the purpose of efficient portfolio management. If these operations concern the use of derivative instruments, the conditions and limits must comply with the Law of 17 December 2010.

Moreover, in making use of techniques and instruments, the sub-fund is not permitted to diverge from its investment policy as set out in the relevant Annex.

- (b) The Management Company is required to employ a risk-management process in accordance with Article 42(1) of the Law of 17 December 2010 enabling it to monitor and measure at any time the risk connected with the investment holdings as well as their contribution to the overall risk profile of the investment portfolio. The Management Company must ensure that the overall risk of managed funds associated with derivatives does not exceed the total net value of their portfolios. The process used for the corresponding sub-fund to measure risk, as well as any additional, more detailed information is stated in the relevant Annex for the respective sub-fund. As part of its investment policy and within the limits laid down by Article 43(5) of the Law of 17 December 2010, the Fund may invest in derivatives as long as the exposure to the underlying assets does not exceed in aggregate the investment limits in Article 43 of the Law of 17 December 2010. Should the Fund invest in index-based derivatives, such investments will not be taken into account in connection with the

investment limits referred to in Article 43 of the Law of 17 December 2010. If a derivative is embedded in a security or money market instrument, it must be taken into account with regard to compliance with Article 42 of the Law of 17 December 2010.

(c) Transferable securities lending

In order to achieve additional capital or income or to reduce its costs or risks, the respective sub-fund may carry out transferable securities lending transactions, provided such transactions are in line with the applicable Luxembourg laws and regulations, as well as CSSF circulars (including CSSF 08/356, CSSF 11/512 and CSSF 14/592).

(aa) The respective sub-fund may either lend transferable securities directly or through a standardised transferable securities lending system organised by a recognised securities settlement or clearing house such as CLEARSTREAM and EUROCLEAR, or by a first-class financial institution that specialises in such operations and which is subject to prudential supervision that the CSSF considers to be equivalent to EU stipulations. The counterparty in the transferable securities lending agreement (the borrower) must, in all cases, be subject to prudential supervisory provisions which the CSSF considers to be equivalent to EU stipulations. The respective sub-fund must ensure that, at any time, it is able to recall securities transferred within the framework of securities lending and that transferable securities lending transactions already entered into may be terminated. If the aforementioned institution is acting on its own account, it shall be considered to be the counterparty in the transferable securities lending agreement. If the respective sub-fund lends its transferable securities to companies affiliated with the sub-fund by way of common management or control, specific attention must be paid to any conflicts of interest that may arise therefrom. The respective sub-fund must receive collateral in accordance with the prudential supervisory requirements in respect of the counterparty risk and collateral provision, either prior to or simultaneously with the securities lent being transferred. At maturity of the transferable securities lending agreement, the collateral shall be remitted simultaneously or subsequently to the restitution of the transferable securities lent. Within the framework of a standardised securities lending system organised by a recognised securities settlement institution or a securities lending system organised by a financial institution which is subject to supervisory provisions that the CSSF considers to be equivalent to EU stipulations, and which specialises in this type of transaction, the transferable securities lent may be transferred before the receipt of the collateral if the intermediary (*intermédiaire*) in question assures the proper execution of the transaction. Such an intermediary may, instead of the borrower, provide the Fund with collateral that meets prudential supervisory requirements regarding counterparty risk and collateral provision. In this case, the agent is contractually bound to provide the collateral.

(bb) The respective sub-fund must ensure that the volume of the transferable securities lending transactions is kept to an appropriate level or that it is entitled to request the return of the transferable securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the respective sub-fund's assets in accordance with its investment policy. The respective sub-fund must, in principle, ensure that it receives collateral for each transferable securities lending transaction and that the value of this collateral is equivalent to at least 90% of the global valuation

(including interest, dividends and any other claims) of the transferable securities lent over the entire lifetime of the lending agreement.

(cc) Receipt of appropriate collateral

The respective sub-fund may take into account collateral conforming to the requirements stated herein in order to take into consideration the counterparty risk in transactions that include repurchase rights.

The respective sub-fund must proceed on a daily basis with the valuation of the collateral received. The agreement concluded between the respective sub-fund and the counterparty must include provisions to the effect that the counterparty must provide additional collateral at very short term if the value of the collateral already provided proves to be insufficient in relation to the amount to be covered. In addition, this agreement must stipulate safety margins which take into consideration the exchange risks or market risks inherent to the assets accepted as collateral.

Any collateral which is not provided in cash must be issued by a company which is not affiliated with the counterparty.

5. Repurchase agreements

The Management Company shall be entitled to participate in repurchase agreements for the respective sub-fund, insofar as these consist in the buying and selling of transferable securities and contain the right or the obligation for the seller to buy back the sold securities back from the purchaser at a particular price and within a particular time period, which will be agreed between the parties at the time of conclusion of the agreement.

The Management Company may effect repurchase agreements either as the buyer or seller. However, any transactions of this kind are subject to the following guidelines:

- (a) Transferable securities may only be bought or sold via a repurchase agreement if the counterparty in the agreement is a first-class financial institute that specialises in this type of transaction.
- (b) During the term of the repurchase agreement, the transferable securities that are the subject of the agreement may not be sold before the counterparty has exercised the right to repurchase the transferable securities or before the deadline for the repurchase has expired.

When the Management Company concludes a repurchase agreement, it must ensure that it is able, at any time, to recall the full amount of cash or to terminate the repurchase agreement on either an accrued basis or a market-to-market basis. In addition, the Management Company must ensure that it is able at any time to recall any transferable securities subject to the repurchase agreement and to terminate the repurchase agreement into which it has entered.

The Management Company is authorised to make all necessary arrangements and, with the consent of the Custodian Bank, impose all necessary additional investment restrictions in order to comply with the conditions in countries in which units are to be sold.

## 6. Risk spreading

- (a) A maximum of 10% of the net sub-fund assets may be invested in transferable securities or money market instruments of a single issuer. The sub-fund may not invest more than 20% of its assets in investments in a single body.

The risk exposure to a counterparty in transactions of the Fund in an OTC derivative transaction must not exceed the following:

- 10% of the net sub-fund assets, if the counterparty is a credit institution within the sense of Article 41(1)(f) of the Law of 17 December 2010,
- 5% of the net sub-fund assets in all other cases.

- (b) The total value of the transferable securities and money market instruments of issuers, in whose transferable securities and money market instruments the Management Company has invested more than 5% of the net assets of the sub-fund, may not exceed 40% of the net assets of the sub-fund in question. Such limitation shall not apply to deposits and transactions in OTC derivatives with financial institutions which are subject to prudential supervision.

Notwithstanding the individual upper limits listed under (a), the Management Company may invest a maximum of 20% of a particular sub-fund's assets in a single body in a combination of

- transferable securities or money market instruments issued by that body and/or
- deposits made with that body and/or
- OTC derivatives acquired from that body.

- (c) The investment limit of 10% of the net sub-fund assets referred to in section 6(a), first sentence, of this Article shall be increased to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by a public international body to which one or more Member States belong.

- (d) The investment limit of 10% of the net sub-fund assets referred to in section 6(a), sentence 1, of this Article shall be increased to 25% where bonds are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

If more than 5% of the net sub-fund assets are invested in bonds issued by such issuers, the total value of the investments in such bonds must not exceed 80% of the respective net sub-fund assets.

- (e) The restriction of the total value to 40% of the respective net sub-fund assets set out in section 6(b), sentence 1, of this Article does not apply in the cases referred to in (c) and (d).
- (f) The investment limits of 10%, 35% and 25% of the net sub-fund assets set out in sections 6(a) to (d) of this Article must not be combined, and thus investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments transacted with this body shall not exceed a total of 35% of the net sub-fund assets.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in Council Directive 83/349/EEC of 13 June 1983 on the basis of Article 54(3)(g) of the Agreement on Consolidated Financial Statements (OJ L 193 of 18 July 1983, p.1) or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits contained in sections 6(a) to (f) of this Article.

Each sub-fund is permitted to invest 20% of its net sub-fund assets in transferable securities and money market instruments of one and the same company group.

- (g) Without prejudice to the investment limits set out in Article 48 of the Law of 17 December 2010, the Management Company may invest up to 20% of a sub-fund's net assets in shares or debt securities issued by the same body when the aim of the respective sub-fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the Luxembourg supervisory authorities. However, this only applies provided that:
  - the composition of the index is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers, and
  - the index is published in an appropriate manner.

The above-mentioned investment limit is increased to 35% of the net sub-fund assets where that proves to be justified by exceptional market conditions, in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. This investment limit only applies to investments with a single issuer.

Whether the Management Company has made use of this possibility is stated for each sub-fund in the corresponding Annex to this Sales Prospectus.

- (h) **Notwithstanding the conditions set forth in Article 43 of the Law of 17 December 2010 and whilst simultaneously observing the principle of risk spreading, up to 100% of the net sub-fund assets may be invested in transferable securities and money market instruments that are issued or guaranteed by an EU Member State, its local authorities, an OECD Member State or international organisations to which**



**one or more EU Member States belong. The respective net sub-fund assets must hold transferable securities from at least six different issues, but transferable securities from any single issue must not exceed 30% of the respective net sub-fund assets.**

- (i) A sub-fund does not invest more than 10% of its net assets in UCITS or UCI pursuant to section 2(e) of this Article, unless otherwise stipulated in the specific Annex to the Sales Prospectus for the respective sub-fund. Insofar as the investment policy of the respective sub-fund provides for an investment of more than 10% of the respective net sub-fund assets in UCITS or UCI pursuant to section 2(e) of this Article, the following letters (j) and (k) shall apply.
- (j) The sub-fund may not invest more than 20% of its net sub-fund assets in units of a single UCITS or a single UCI pursuant to Article 41(1)(e) of the Law of 17 December 2010.

For the purposes of applying this investment restriction, each sub-fund of a UCI with several sub-funds is treated as a separate issuer, provided that the principle of the separation of the liabilities of the individual sub-funds is ensured with regard to third parties.

- (k) The sub-fund may not invest more than 30% of the net sub-fund assets in other UCIs than UCITS. If the sub-fund has acquired units of another UCITS and/or other UCI, the assets of the UCITS or other UCI in question are not taken into account in respect of the upper limits referred to sections 6(a) to (f).
- (l) If a UCITS acquires units of other UCITS and/or other UCIs managed, directly or by delegation, by the same management company or another company with which the management company is linked through common management or control or by a substantial direct or indirect holding of more than 10% of the capital or votes, the Management Company or this other company may not charge subscription or redemption fees on account of the UCITS' investment in the units of such other UCITS and/or other UCIs (including the front-end load and redemption fees).

Upon acquisition of units in target funds, a management fee may generally be charged at the level of the target fund, and allowance must be made for any front-end load or redemption fees, if applicable. The Fund will therefore not invest in target funds which are subject to a management fee of more than 2.5%. The Fund's annual report shall contain information on the maximum level of the management fee that may be charged to the sub-fund and the target funds.

- (m) A sub-fund of an umbrella fund may also invest in other sub-funds of the same umbrella fund. In addition to the conditions for investing in target funds mentioned above, the following conditions apply to investments in target funds that are also sub-funds of the same umbrella fund:
  - Circular investments are not permitted. This means that the target sub-fund may not invest in the sub-funds of the same umbrella fund that is invested in this target sub-fund;

- The sub-funds of an umbrella fund that are to be acquired by other sub-funds of the same umbrella fund may in turn, pursuant to their Management Regulations and/or Articles of Association, invest a maximum of 10% of their assets in units of other target funds;
  - Voting rights resulting from holding units in target funds that are simultaneously target funds of the same umbrella fund are suspended as long as these units of a sub-fund of the same umbrella fund are held. This rule does not affect the appropriate recording of this in the annual accounts and the periodic reports;
  - As long as a sub-fund holds units in another sub-fund of the same umbrella fund, the units of the target sub-fund are not taken into account in the calculation of net asset value, insofar as the calculation serves to determine whether the legal minimum capital of the umbrella fund has been obtained;
- (n) The Management Company is not permitted to use the UCITS pursuant to Part I of the Law of 17 December 2010 under its management in order to acquire a quantity of shares with voting rights which would enable it to exercise a significant influence on the management of an issuer.
- (o) Furthermore, the Management Company may acquire the following for the sub-fund
- up to 10% of non-voting shares of a single issuer,
  - up to 10% of the debt securities of a single issuer,
  - not more than 25% of the units of a single UCITS and/or UCI and
  - not more than 10% of the money market instruments of a single issuer.
- (p) The investment limits stated in section 6(n) and o) do not apply in the case of:
- transferable securities and money market instruments which are issued or guaranteed by an EU Member State or its local authorities, or by a state which is not a member of the European Union;
  - transferable securities and money market instruments issued by a public international body to which one or more EU Member States belong;
  - shares held by a sub-fund in the capital of a company incorporated a non-Member State which mainly invests its assets in transferable securities of issuers having their registered offices in that country, where under the legislation of that country such a holding represents the only way in which the sub-fund can invest in the transferable securities of issuing bodies of that country. However, this exception shall only apply under the condition that the company of the non-EU Member State complies in its investment policy with the limits laid out in Articles 43, 46 and 48(1) and (2) of the Law of 17 December 2010. If the limits set out in Articles 43 and 46 of the Law of 17 December 2010 are exceeded, Article 49 of the Law of 17 December 2010 shall apply *mutatis mutandis*.

7. Liquid assets

The Fund may also hold liquid assets in the form of investment accounts (current accounts) and overnight money, which may, however, be held only on an ancillary basis.

8. On exercise of subscription rights linked to securities or money market instruments which are part of its assets, a UCITS does not necessarily need to meet the investment limits stated in this Article.

If the investment limits stated in this Article are not followed or exceeded in the event of exercise of subscription rights, the Management Company must endeavour as a priority to normalise the position, giving consideration to the interests of the investors.

While ensuring observance of the principle of risk spreading, recently authorised UCITS may deviate from the investment limits stated in 6(a)–(l) for six months following the date of their authorisation.

9. Restrictions on borrowing and pledging

(a) A particular sub-fund must not be pledged or otherwise encumbered, transferred or ceded as collateral, unless this involves borrowing in the sense of (b) below or the provision of collateral within the scope of the settlement of transactions in financial instruments.

(b) Loans encumbering a particular sub-fund may only be taken out for a short period of time and may not exceed 10% of the net sub-fund assets. An exception to this is the acquisition of foreign currencies through "*back-to-back*" loans.

(c) Loans may not be granted nor may guarantee commitments be entered into for third parties to the detriment of a sub-fund, however, this does not prevent the acquisition of yet fully paid-up transferable securities, money market instruments or other financial instruments pursuant to Article 41(1)(e), (g) and (h) of the Law of 17 December 2010.

10. Additional investment guidelines

(a) The short-selling of transferable securities is not permitted.

(b) Sub-fund assets must not be invested in property, precious metals or certificates concerning precious metals, precious metal contracts, goods or goods contracts.

11. The investment restrictions referred to in this Article relate to the point in time at which transferable securities are acquired. If the percentages are subsequently exceeded through price changes or for reasons other than purchases, the Management Company shall seek to return to the specified limits without delay, taking into account the interests of the investors.

## Article 5 – Units

1. Units are units of the respective sub-fund. The units of the respective sub-fund are issued in the certificates and denominations stated in the Annex specific to the sub-fund. If registered units are issued, these are documented by the registrar and transfer agent in the unit register kept on behalf of the Fund. Confirmation of entry into the unit register shall be sent to the investors at the address

specified in the unit register. The investors shall not be entitled to the physical delivery of unit certificates, regardless of whether bearer or registered units are issued.

2. In principle, all units in a sub-fund have the same rights, unless the Management Company decides to issue different unit classes within the same sub-fund pursuant to section 3 of this Article.
3. The Management Company may decide, from time to time, to establish two or more unit classes within one sub-fund. The unit classes may differ from one another in their characteristics and rights, their use of income, fee structures or other specific characteristics and rights. From their date of issue, all units are entitled in the same manner to the income, price gains and liquidation proceeds of their respective unit class. Insofar as unit classes are established for a particular sub-fund, details of the specific characteristics or rights for each unit class can be found in the relevant Annex to the Sales Prospectus.

#### **Article 6 – Calculation of the unit value**

1. The net assets of the Fund are denominated in euro (EUR) ("reference currency").
2. The value of a unit ("unit value") is denominated in the currency set out in the respective Annex to the Sales Prospectus ("sub-fund currency"), insofar as no other currency is stipulated for any unit classes in the respective Annex to the Sales Prospectus ("unit class currency").
3. The unit value is calculated by the Management Company or a third party commissioned for this purpose by the Management Company, under the supervision of the Custodian Bank, on each banking day in Luxembourg with the exception of 24 and 31 December of each year ("valuation day") and rounded off to two decimal places. The Management Company may decide on a different arrangement for individual sub-funds, in which case it should be taken into account that the unit value must be calculated at least twice a month.

The Management Company may, however, decide to determine the unit value on 24 and 31 December without these determinations of value being considered calculations of the unit value on a valuation day within the meaning of sentence one of the present section 3. Consequently, investors cannot demand the issue, redemption and/or exchange of units on the basis of a unit value determined on 24 December and/or 31 December of a given year.

4. For the calculation of the unit value, the value of the assets of each sub-fund less the liabilities of each sub-fund ("net sub-fund assets") is determined on each valuation day, and this figure is divided by the number of sub-fund units in circulation on the valuation day.
5. If applicable legal regulations or the provisions of these Management Regulations require the situation of the Fund assets in their entirety to be described in the annual or half-yearly reports and/or in other financial statistics, the assets of the relevant sub-funds will be converted to the reference currency. Net sub-fund assets are calculated according to the following principles:
  - (a) Transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets officially listed on a securities exchange are valued at the latest available trade price which provides a reliable valuation on the trading day preceding the valuation day. If transferable securities, money market instruments, derivative financial

instruments (derivatives) and other assets are officially listed on several securities exchanges, the stock exchange with the highest liquidity shall be the definitive one.

- (b) Transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets which are not officially listed on a securities exchange (or whose stock exchange rate is not deemed representative, e.g. due to lack of liquidity) but which are traded on another regulated market, shall be valued at a price no less than the bid price and no more than the offer price of the trading day preceding the valuation day, and which the Management Company considers in good faith to be the best possible price at which the transferable securities, money market instruments, derivative financial instruments (derivatives) and other investments can be sold.
- (c) OTC derivatives are subject to reliable and verifiable valuation on a daily basis by the Management Company.
- (d) Units in UCI/UCITS are determined at the last redemption price set before the valuation day or are valued at the latest available price which affords a reliable valuation. If the redemption is suspended or no redemption prices are established for certain of investment units, these units and all other assets will be valued at their appropriate market value, as determined in good faith by the Management Company in line with generally accepted and verifiable valuation rules.
- (e) If the prices in question are not fair market prices and if no prices are set for financial instruments different from those listed under (a)-(d), then these financial instruments and the other legally permissible assets shall be valued at their current market value, which shall be established in good faith by the Management Company on the basis of generally accepted and verifiable valuation rules (e.g. suitable valuation models taking account of current market conditions).
- (f) Liquid assets are valued at their par value, plus interest.
- (g) Amounts due, for example deferred interest claims and liabilities, shall in principle be rated at their par value.
- (h) The market value of transferable securities, money market instruments, derivatives and other assets denominated in a currency other than the relevant sub-fund currency shall be converted into the sub-fund currency at the exchange rate of the trading day preceding the valuation day, using WM/Reuters fixing at 17:00 (16:00 GMT). Profits and losses from foreign exchange transactions shall, on each occasion, be added or subtracted.

The net assets of the individual sub-fund will be reduced by any distributions paid to the investors of the relevant sub-fund, where applicable.

6. The unit value is calculated separately for each sub-fund pursuant to the aforementioned criteria. However, if there are different unit classes within a sub-fund, the calculation of the unit value will be carried out separately for each unit class within this sub-fund pursuant to the aforementioned criteria.

## **Article 7 – Suspension of unit value calculation**

1. The Management Company is entitled to temporarily suspend the calculation of the unit value if and for as long as circumstances exist which render such suspension necessary and if this suspension is justified in view of the interests of investors. This is particularly the case
  - (a) during times when a stock exchange or other regulated market on which a significant proportion of the assets are officially listed or traded is closed (other than for public or bank holidays) or trading on such stock exchange or on the relevant market is suspended or restricted;
  - (b) in emergencies, if the Management Company cannot obtain access to the sub-fund assets or is unable to freely transfer the transaction value of investment purchases or sales or properly calculate the unit value;
  - (c) if, as a result of disruptions in the communications network or for any other reason, it is not possible to calculate the value of an asset either in a sufficiently timely or accurate manner.

As long as the calculation of the net asset value per unit has been temporarily suspended, the issue, redemption and exchange of units will also be suspended. The temporary suspension of the calculation of the net asset value per unit of the units of a sub-fund shall not lead a the temporary suspension with regard to other sub-funds that are not affected by the event.

2. Investors who have issued a subscription, redemption or exchange order shall be immediately informed of any suspension of the unit value calculation and shall be immediately notified after the resumption of unit value calculation.
3. Subscription, redemption and exchange orders shall automatically become invalid if the calculation of the net asset value is suspended. The investors or potential investors shall be informed that the subscription, redemption or exchange orders must be resubmitted after the resumption of the calculation of the net asset value.

## **Article 8 – Issue of units**

1. Units are issued on each valuation day at the issue price. The issue price is the unit value pursuant to Article 6(4) of the Management Regulations, plus a front-end load payable to the sales agent, the maximum amount of which is regulated for each sub-fund in the respective Annex to this Sales Prospectus. The issue price may be increased by fees or other charges payable in the particular countries where the Fund is on sale.
2. Subscription orders for the acquisition of registered units may be submitted to the Management Company, the Custodian Bank, the registrar and transfer agent, any sales agent and the paying agents. The receiving agents are obliged to immediately forward all subscription orders to the registrar and transfer agent. Receipt by the registrar and transfer agent is decisive. This agent accepts the subscription orders on behalf of the Management Company.

Subscription orders for the acquisition of bearer units are forwarded to the registrar and transfer agent by the entity at which the subscriber holds his investment account. Receipt by the registrar and transfer agent is decisive.

Complete subscription orders received by the registrar and transfer agent no later than 17:00 on a valuation day shall be settled at the issue price of the following valuation day. In any case, the Management Company ensures that units are issued on the basis of a unit value previously unknown to the investor. If, however, an investor is suspected of engaging in late trading, the Management Company may reject the subscription order until the applicant has cleared up any doubts with regard to his subscription order. Subscription orders received by the registrar and transfer agent after 17:00 on a valuation day shall be settled at the issue price of the second following valuation day.

If the equivalent of the subscribed registered units is not available at the time of receipt of the complete subscription order by the registrar and transfer agent or if the subscription order is incorrect or incomplete, the subscription order shall be regarded as having been received by the registrar and transfer agent on the date on which the equivalent of the subscribed units is available or the subscription order is submitted properly.

Upon receipt of the issue price by the Custodian Bank, the bearer units will be transferred by the Custodian Bank, by order of the Management Company, to the agent with which the applicant holds his investment account.

The issue price is payable within two valuation days of the relevant valuation day in the respective sub-fund currency, or if there are several unit classes, in the respective unit class currency at the Custodian Bank in Luxembourg.

If the equivalent is deducted from the Fund assets, in particular due to the cancellation of a payment instruction, the non-clearance of funds or for other reasons, the Management Company shall recall the issued units in the interests of the Fund. Any differences arising from the recall of units that have a negative effect on the Fund must be borne by the applicant.

3. For savings plans, a maximum of one-third of all payments agreed for the first year may be applied to covering costs. The remaining costs are distributed evenly across all later payments.

#### **Article 9 – Restrictions on and the suspension of the issue of units**

1. The Management Company may at any time, at its discretion and without giving reasons reject a subscription order or temporarily restrict or suspend or permanently discontinue the issue of units or buy back units against payment of the redemption price, if this appears necessary in the interests of the investors, of the public or for the protection of the Fund/respective sub-fund. This applies in particular if:
  - (a) there is a suspicion that the respective unitholder shall, on acquiring the units, engage in market timing, late trading or other market techniques that could be harmful to the investors as a whole,
  - (b) the investor does not fulfil the conditions for acquiring units, or
  - (c) the units were distributed in a state or acquired in such a state by a person (e.g. US citizen), in which the Fund is not authorised to distribute or acquire units by such persons.

2. In such cases, the registrar and transfer agent (in the case of registered units) and the Custodian Bank (in the case of bearer units) shall immediately repay any incoming payments received, without interest, for subscription orders not already processed.

#### **Article 10 – Redemption and exchange of units**

1. Investors are entitled to request the redemption of their units at any time at the unit value in accordance with Article 6(4) of these Management Regulations, less any redemption fee if applicable ("redemption price"). This redemption will only be carried out on a valuation day. If a redemption fee is payable, then the maximum amount of this redemption fee for each sub-fund is listed in the relevant Annex to this Sales Prospectus. In certain countries, the redemption price may be reduced by local taxes and other charges. The corresponding unit is cancelled upon payment of the redemption price.
2. Payment of the redemption price, as well as any other payments to the investors, shall be made via the Custodian Bank or the paying agents. The Custodian Bank is only obliged to make payment insofar as there are no legal provisions, such as exchange control regulations or other circumstances beyond the Custodian Bank's control, prohibiting the transfer of the redemption price to the country of the applicant.

The Management Company may buy back units unilaterally against payment of the redemption price if this appears necessary in the interests of the investors or for the protection of the investors or a sub-fund, in particular when:

- (a) there is a suspicion that the respective unitholder shall, on acquiring the units, engage in market timing, late trading or other market techniques that could be harmful to the investors as a whole,
  - (b) the investor does not fulfil the conditions for acquiring units, or
  - (c) the units were distributed in a state or acquired in such a state by a person (e.g. US citizen), in which the Fund is not authorised for distribution or the acquisition of units by such persons is not authorised.
3. The exchange of all units or of some units for units in another sub-fund will take place on the basis of the unit value of the relevant sub-funds calculated in accordance with Article 6(4) of the Management Regulations, taking into account the applicable exchange fee, which is payable to the sales agent and which is set at a maximum of 1% of the unit value of the units to be subscribed to, but also at a minimum of the difference between the front-end load of the sub-fund of the units to be exchanged and that of the sub-fund whose units are being subscribed to. If no exchange fee is charged, this is specified for the sub-fund concerned in the relevant Annex to this Sales Prospectus.

If different unit classes are offered within a single sub-fund, it is also possible to exchange units of one class for units of another class within the same sub-fund, insofar as not otherwise stipulated in the relevant Annex to this Sales Prospectus and if the investor fulfils the conditions specified in the Annex for a direct investment in this unit class. In this case no exchange fee is charged.



The Management Company may reject an order for the exchange of units, if this is deemed in the interests of the Fund or the sub-fund or in the interests of the investors.

4. Complete orders for the redemption or exchange of registered units can be submitted to the Management Company, Custodian Bank, registrar and transfer agent, sales agent and paying agents. The receiving agents are obliged to immediately forward the redemption or exchange orders to the registrar and transfer agent.

An order for the redemption or exchange of registered units shall only be deemed complete if it contains the name and address of the investor, the number and/or transaction value of the units to be redeemed or exchanged, the name of the sub-fund and the signature of the investor.

Complete orders for the redemption or exchange of bearer units will be forwarded to the registrar and transfer agent by the agent with whom the investor holds his investment account.

Complete orders for the redemption and/or exchange of units received no later than 17:00 on a valuation day shall be settled at the unit value of the following valuation day, less any applicable redemption and/or exchange fees. In any case, the Management Company ensures that units are redeemed or exchanged on the basis of a unit value previously unknown to the investor. Complete orders for the redemption and/or exchange of units received by the Custodian Bank after 17:00 on a valuation day are allocated the unit value of the second following valuation day, less any applicable redemption fees and/or exchange fees.

The time of receipt of the redemption or exchange order by the registrar and transfer agent shall be decisive.

The redemption price is payable within two valuation days of the relevant valuation day in the respective sub-fund currency, or if there are several unit classes, in the respective unit class currency. In the case of registered units, payment is made to the account specified by the investor.

Any fractional amounts resulting from the exchange of units will be credited to the investor.

5. The Management Company is obliged to temporarily suspend the redemption or exchange of units due to the suspension of the calculation of the unit value.
6. Subject to prior approval from the Custodian Bank and while preserving the interests of the investors, the Management Company shall only be entitled to process significant volumes of redemptions after selling corresponding assets of the respective sub-fund without delay. In this case, the redemption shall occur at the redemption price valid at that time. The same shall apply for orders for the exchange of units. The Management Company shall, however, ensure that the respective sub-fund has sufficient liquid funds at its disposal such that, under normal circumstances, the redemption or exchange of units may take place immediately upon application from investors.
7. Pursuant to a decision taken by the Executive Board of the Management Company, the unit classes of the sub-funds may be subject to a unit split.

## Article 11 – Costs

Each sub-fund shall bear the following costs, provided they arise in connection with its assets:

1. In return for the management of the relevant sub-fund, the Management Company receives a fee payable from the net assets of this sub-fund; details on the amount, calculation and payment of this fee are contained for each sub-fund in the respective Annex to the Sales Prospectus. VAT shall be added to this fee, as applicable.

In addition, the Management Company or, if applicable, the Investment Adviser(s)/Fund Manager(s) may also receive a performance fee from the assets of the respective sub-fund. The relevant percentage amount, as well as calculation and payment methods for each sub-fund, can be found in the relevant Annex to the Sales Prospectus.

2. The Investment Adviser may receive a fee payable from the respective sub-fund assets or from the management fee of the Management Company; details of the maximum amount, the calculation and the payment of this fee are contained for each sub-fund in the respective Annexes to the Sales Prospectus. VAT shall be added to this fee, as applicable.
3. The Fund Manager may receive a fee payable from the respective sub-fund assets or from the management fee of the Management Company; details on the maximum amount, the calculation and the payment of this fee are contained for each sub-fund in the respective Annexes to the Sales Prospectus. VAT shall be added to this fee, as applicable.
4. For the execution of their tasks as stipulated their respective Agreements, the Custodian Bank and the Central Administration Agent each receive a fee customary in the Grand Duchy of Luxembourg, which is calculated subsequently on a monthly basis and paid in arrears on a monthly basis. Details on the amount, calculation and payment are set out in the Annex to the Sales Prospectus. VAT shall be added to this remuneration, as applicable.
5. Pursuant to the Registrar and Transfer Agent Agreement, in return for the performance of its duties, the registrar and transfer agent receives the a fee customary in the Grand Duchy of Luxembourg, which is calculated and paid in arrears as a fixed amount per investment account or per account with savings plan and/or withdrawal plan at the end of each calendar year. Furthermore, the registrar and transfer agent receives for each sub-fund an annual basic fee, which is listed for the respective sub-fund in the relevant Annex to the Sales Prospectus. VAT shall be added to this fee, as applicable.
6. The sales agent may receive a fee payable from the net sub-fund assets; details on the maximum amount, the calculation and the payment of this fee are contained for each sub-fund in the respective Annex to this Sales Prospectus. VAT shall be added to this fee, as applicable.
7. In addition to the aforementioned costs, the sub-fund shall also bear the following costs, provided they arise in connection with its assets:
  - (a) costs incurred in relation to the acquisition, holding and disposal of assets, in particular customary bank charges for transactions in transferable securities and other assets and rights

of the Fund and/or sub-fund and the safekeeping of such assets and rights, as well as customary bank charges for the safekeeping of foreign investment units abroad;

- (b) all foreign administration and safekeeping charges, which are charged by other correspondent banks and/or clearing agencies (e.g. Clearstream Banking S.A.) for the assets of each sub-fund, as well as all foreign settlement, dispatch and insurance fees that are incurred in connection with the transferable securities transactions of each sub-fund in fund units;
- (c) the transaction costs for the issue and redemption of Fund units;
- (d) the expenses and other costs incurred by the Custodian Bank, the registrar and transfer agent and the Central Administration Agent in connection with the sub-fund assets and due to the necessary use of third parties are to be reimbursed. Furthermore, the Custodian Bank also receives customary bank charges;
- (e) taxes levied on the Fund assets or sub-fund assets, its income and the expenses charged to the respective sub-fund;
- (f) costs for legal advice incurred by the Management Company or the Custodian Bank if they have acted in the interests of the investors of the respective sub-fund;
- (g) auditors' fees;
- (h) costs for the creation, preparation, deposit, publication, printing and dispatch of all documents for the Fund, in particular any unit certificates, the Sales Prospectus, the "Key Investor Information Document", the annual reports and half-yearly reports, the statement of assets, the notices to the investors, the notices for convening meetings, sales notifications and/or applications for approval in the countries in which units in the Fund or a sub-fund are sold and correspondence with the respective supervisory authorities;
- (i) the administrative fees, which are to be paid for the Fund or a sub-fund to the authorities, in particular the administrative fees of the Luxembourg Supervisory Authority and supervisory authorities in other countries, as well as the fees for the filing of documents for the Fund;
- (j) costs in connection with any admission to stock exchanges;
- (k) advertising costs and costs incurred directly in connection with the offer and sale of units;
- (l) insurance costs;
- (m) fees, expenses and other costs of the paying agents, the sales agents and other agents that must be appointed abroad, which are incurred in connection with the sub-fund assets;
- (n) interest that is incurred within the scope of loans that are taken out in accordance with Article 4 of the Management Regulations;
- (o) expenses of an investment committee, where applicable;

- (p) expenses of the Board of Directors;
- (q) costs connected with the establishment of the Fund and/or the individual sub-funds and the initial issue of units;
- (r) further administrative costs including costs for interest groups;
- (s) costs for performance attribution;
- (t) costs for credit assessments for the Fund and/or sub-funds by nationally and internationally recognised rating agencies and
- (u) reasonable costs for risk control.

VAT may be charged on all the aforementioned costs, fees and expenditures.

All costs will be charged first against each sub-fund's ordinary income and capital gains and then against the sub-fund assets.

Costs incurred for the establishment of the Fund and the initial issue of units will be amortised over the first five financial years to the detriment of the assets of the sub-funds existing at the time of establishment. The set-up costs and the aforementioned costs that are not directly attributable to a specific sub-fund shall be allocated to the sub-funds on a pro rata basis by the Management Company. Costs that are incurred as a result of the launching of additional sub-funds will be amortised over a period of a maximum of five financial years after launch to the detriment of the assets of the sub-fund to which these costs can be attributed.

## **Article 12 – Use of income**

1. The Management Company may either distribute income generated by a sub-fund to the investors in this sub-fund or reinvest this income in the respective sub-fund. Details on this can be found for each sub-fund in the respective Annex to the Sales Prospectus.
2. Ordinary net income and realised gains may be distributed. Unrealised gains and other assets can also be distributed, provided the amount distributed does not cause the total net assets of the Fund to fall below EUR 1,250,000.
3. Distributions are paid out on the basis of the units in circulation on the date of distribution. Dividends may be paid wholly or partially in the form of bonus units. Any fractions remaining may be paid in cash. Income not claimed five years after publication of notification of a distribution shall be forfeited in favour of the respective sub-fund.
4. Distributions to holders of registered units will be paid out via the reinvestment of the distribution amount in favour of the holders of registered units. If this is not desired, the holder of registered units may submit an application to the registrar and transfer agent, within 10 days of the receipt of the notification of the distribution, for the payment of the distribution to the account that he specifies. Distributions to the holders of bearer units shall occur in the same manner as the payment of the redemption price to holders of bearer units.

### **Article 13 – Financial year and audit of annual accounts**

1. The financial year of the Fund shall begin on 1 October of each year and end on 30 September of the following year. The first financial year began with the launch of the Fund and ended on 30 September 2002.
2. The annual accounts of the Fund shall be audited by an auditor appointed by the Management Company.
3. No later than four months after the end of each financial year, the Management Company shall publish an audited annual report in accordance with the regulations applicable in the Grand Duchy of Luxembourg.
4. Two months after the end of the first half of the financial year, the Management Company shall publish an unaudited half-yearly report. The first report is an unaudited half-yearly report as at 31 March 2002. Insofar as this is necessary for entitlement to trade in other countries, additional audited and unaudited interim reports may also be drawn up.

### **Article 14 – Publications**

1. The unit value, the issue and redemption prices, as well as all other information, may be obtained from the Management Company, the Custodian Bank, any paying agent and the sales agent. This information shall also be published in the required media in each country of sale.
2. The current Sales Prospectus, the "Key Investor Information Document" as well as the annual and half-yearly reports for the Fund can be obtained free of charge from the Management Company's website ([www.wallberg.eu](http://www.wallberg.eu)). Hard copies of the current Sales Prospectus and the "Key Investor Information Document" as well as the relevant annual and half-yearly reports for the Fund are available free of charge from the registered office of the Management Company, the Custodian Bank and the paying agents and sales agent.
3. The currently valid Custodian Bank Agreement, the Articles of Association of the Management Company, the Central Administration Agent Agreement and the Registrar and Transfer Agent Agreement are available for inspection at the registered offices of the Management Company, the paying agents and the sales agent.

### **Article 15 – Merging of the Fund and of sub-funds**

1. In accordance with the conditions outlined below, the Board of Directors of the Management Company may determine on the basis of a resolution to merge the Fund or a sub-fund with another UCITS managed by the same management company or managed by another management company. A merger may in particular be decided on in the following cases:
  - in so far as the net fund assets or net sub-fund assets on a valuation day have fallen below an amount which appears to be a minimum amount for the purpose of managing the Fund or sub-fund in a manner which is economically viable. The Management Company has set this amount at EUR 5 million.

- if, due to a significant change in the economic or political climate or for reasons of economic viability, it does not appear to make economic sense to manage the Fund or sub-fund.
2. The Board of Directors of the Management Company may also decide to absorb into the Fund or sub-fund another fund or sub-fund managed by the same or by another management company.
  3. Mergers are possible between two Luxembourg funds or sub-funds (domestic merger) or between funds or sub-funds that are based in two different Member States of the European Union (cross-border merger).
  4. Such a merger may only be implemented if the investment policy of the fund or sub-fund to be absorbed does not contradict the investment policy of the absorbing UCITS.
  5. Mergers shall be implemented by way of the liquidation of the fund/sub-fund to be absorbed and a simultaneous takeover of all assets by the absorbing fund or sub-fund. The investors of the absorbed fund or sub-fund receive units in the absorbing fund or sub-fund; the number of these units is calculated on the basis of the ratio of the unit values of the funds or sub-funds in question at the time of merger, along with any settlement of fractional units.
  6. Both the absorbing fund or sub-fund and the absorbed fund or sub-fund will inform investors of the planned merger in an appropriate manner and in line with the legal requirements of the respective countries of distribution of the absorbing or absorbed fund or sub-fund.
  7. The investors in the absorbing and the absorbed fund or sub-fund have the right, within 30 days and at no additional charge, to request the redemption of all or part of their units at the current net asset value or, if possible, the exchange for units of another fund or sub-fund with a similar investment policy managed by the same management company or by another company with which the Management Company is linked by common management or control or by a substantial direct or indirect holding. This right becomes effective on the date on which the unitholders of the absorbed and absorbing funds or sub-funds are informed of the planned merger, and expires five working days before the date of calculation of the exchange ratio.
  8. In the case of a merger between two or more funds or sub-funds, the funds or sub-funds in question may temporarily suspend the subscription, redemption and conversion of units if such suspension is justified for reasons of the protection of the unitholders.
  9. Implementation of the merger will be audited and confirmed by an independent auditor. A copy of the auditor's report will be made available at no charge to the investors in the absorbing and the absorbed funds or sub-funds, as well as to the respective supervisory authorities.
  10. The above equally applies to the merger of two sub-funds with the Fund and for the merger of unit classes within a sub-fund.

#### **Article 16 – Dissolution of the Fund or sub-fund**

1. The Fund is set up for an indefinite period. Notwithstanding this provision, the Fund or one or more sub-funds may be dissolved by the Management Company at any time, especially if considerable economic and/or political changes have occurred since the time of the launch of the Fund.

2. Liquidation of the Fund shall be obligatory in the following instances:
  - (a) if the appointment of the Custodian Bank is terminated without a new custodian bank being appointed within two months;
  - (b) if insolvency proceedings are instituted against the Management Company and no other management company declares itself willing to take over the Fund or if the Management Company is liquidated;
  - (c) if the Fund's assets remain below EUR 312,500 for more than six months;
  - (d) in other instances as provided under the Law of 17 December 2010.
3. If circumstances arise which lead to the liquidation of the Fund or a sub-fund, the issue and redemption of units will be suspended. The Custodian Bank will distribute the liquidation proceeds less liquidation costs and fees, upon instruction from the Management Company or, if appropriate, the liquidators appointed by the Management Company or by the Custodian Bank in agreement with the supervisory authorities, among the investors of the respective sub-fund according to their respective claims. Any net liquidation proceeds that are not claimed by investors by the time the liquidation process has ended will be deposited by the Custodian Bank after the liquidation process has ended at the *Caisse des Consignations* in Luxembourg for the account of the beneficiaries. These sums are then forfeited if they are not claimed within the statutory period.
4. The investors, their heirs, creditors or successors in title may apply neither for early dissolution nor for the partition of the Fund or a sub-fund.
5. The liquidation of the Fund pursuant to this Article will be published in accordance with legal provisions by the Management Company in the Mémorial and at least two national daily newspapers, of which one will be the "Tageblatt".
6. The dissolution of a sub-fund will be published in the manner described in the Sales Prospectus under "Notices to investors".

#### **Article 17 – Limitation period**

Claims of the investors against the Management Company or the Custodian Bank can no longer be legally asserted once a period of five years has elapsed from the date on which the claim arises. This is without prejudice to the provisions of Article 16(3) of these Management Regulations.

#### **Article 18 – Applicable law, jurisdiction and contractual language**

1. The Management Regulations of the Fund are subject to the law of the Grand Duchy of Luxembourg. The same applies to legal relations between the investors, the Management Company and the Custodian Bank, insofar as not otherwise agreed for these legal relations. In particular, in addition to the provisions set out in these Management Regulations, the provisions of the Law of 17 December 2010 shall apply. The Management Regulations have been deposited with the Trade and Companies Register in Luxembourg. Any dispute arising between investors, the Management Company and the Custodian Bank shall be subject to the jurisdiction of the competent court in the judicial district of Luxembourg in the Grand Duchy of Luxembourg. The

Management Company and the Custodian Bank are entitled to submit themselves and the Fund to the jurisdiction and law of any country of sale, in so far as the claims involved are those of investors resident in the country in question and the matters relate to the Fund or sub-fund.

2. In the event of legal disputes, the German text of these Management Regulations shall prevail. With regard to units in the Fund sold to investors in non-German speaking countries, the Management Company and the Custodian Bank may declare translations into the languages of the countries where such units are authorised for public sale to be binding upon themselves and the Fund.
3. If terms that are not defined in the Management Regulations require explanation, the provisions of the Law of 17 December 2010 shall apply. This applies in particular for the terms defined in Article 1 of the Law of 17 December 2010.

#### **Article 19 – Amendments to the Management Regulations**

1. With the consent of the Custodian Bank, the Management Company may amend these Management Regulations at any time, in whole or in part.
2. Amendments to these Management Regulations shall be deposited with the Trade and Companies Register in Luxembourg and enter into force on the day on which they are signed, unless otherwise stipulated. A notice of deposit of these amendments shall be published in the Mémorial.

#### **Article 20 – Entry into force**

These Management Regulations shall enter into force on 1 January 2015.