

SALES PROSPECTUS

M & W Invest

("Fonds commun de placement à compartiments multiples" in accordance with Part 1 of the Luxembourg Law of 20 December 2002 on Undertakings for Collective Investment)

(with general management regulations and special regulations)

M & W Invest (the "fund") currently consists of the following sub-funds:

Sub-fund 1: M & W Invest: M & W Capital ("sub-fund")

This detailed sales prospectus ("detailed sales prospectus" or "sales prospectus") is only valid in conjunction with the general management regulations, the relevant special regulations, the last statement of accounts for the fund and – if the reporting date of the latter was more than 8 months ago – the most recent semi-annual report. Both reports form part of the sales prospectus.

The simplified sales prospectus, sales prospectus, general management regulations, relevant special regulations, semi-annual report and statement of accounts are available from the following offices free of charge:

Luxembourg

- LRI Invest S.A., 1 C, Parc d'activité Syrdall, L-5365 Munsbach, Luxembourg
- LBBW Luxembourg S.A., 10-12 Boulevard Roosevelt, L-2450 Luxembourg

No one is entitled to rely on details that are not contained in the simplified sales prospectus, the sales prospectus or documentation to which the simplified sales prospectus or sales prospectus refer and that are accessible to the public.

Personal data will be processed by monetary transfers, sometimes by the bank handling the payment, but also by relevant specialist companies such as SWIFT (Society for Worldwide Interbank Financial Telecommunication). Data may also be processed and transferred by data processing centres in other European countries and the USA. These centres are subject to the applicable national laws in those countries. This means, for example, that the American authorities may request access to the data stored by such centres as part of their anti-terrorism measures. Every client that commissions his/her bank to carry out payment orders or other operations is considered to have given his/her implicit consent for all data elements necessary for the complete processing of a transaction to be made known outside Luxembourg.

The information provided in the simplified sales prospectus, this sales prospectus, general management regulations and special regulations does not in any way replace the need for personal advice, which is always recommended when investing money.

As of: July 2009

Sales Prospectus

1. The fund

The special assets described in this sales prospectus represent a Luxembourg investment fund (*fonds commun de placement à compartiments multiples*) created in accordance with Part 1 of the Luxembourg Law of 30 March 1988 (on Undertakings for Collective Investment) in the form of an umbrella fund for an unlimited term and converted into a fund with effect as of 07.10.2005 in accordance with **Part I** of the Law of 20 December 2002 on Undertakings for Collective Investment ("Law of 20 December 2002"). Since this conversion, the fund has fulfilled the requirements of EC Directive 85/611 EEC of 20 December 1985 in its revised version.

2. The management company

The management company for the Fund is LRI Invest S.A. (the "management company"), a limited company under Luxembourg law and based in Munsbach (Luxembourg). LRI Invest S.A. was founded on 13 May 1988 under the name LRI Fund Management Company S.A. and its articles of association were published in the Official Gazette of the Grand Duchy of Luxembourg - Mémorial Section C, Recueil Spécial des Sociétés et Associations ("Mémorial") - on 27 June 1988. Changes made to the articles of association up to 29.12.2003 were published in the Mémorial. Changes made since 30.12.2003 have been recorded in the trade and companies register in Luxembourg and are available there. A corresponding record note is published each time in the Mémorial.

The last change in the articles of association of LRI Invest S.A. was made with effect as of 1 January 2009. The co-ordinated articles of association in the version dated 1 January 2009 were recorded in the trade and companies register in Luxembourg on 6 January 2009 and published in the Mémorial on 21 January 2009. The management company is registered under Register Number B 28.101.

LRI Invest S.A. is a 100% subsidiary of Landesbank Baden-Württemberg Stuttgart/Germany.

The equity capital of the management company was Euro 1,500,000 as of 1 January 2009.

The company is a licensed management company in the sense of Article 77, Section 13 of the Law of 20 December 2002. The management company complies with the requirements of the amended Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities ("UCITS").

The purpose of the management company is the arrangement and management of undertakings for collective investment ("UCI") and all other activities permitted in the broadest sense of the Law of 20 December 2002. In addition to administrative activities, these also include asset management for UCI / UCITS and the distribution of UCI / UCITS.

The management company may integrate management measures to be taken within the framework of its management licence with securities transactions or management tasks for its other clients. Within this context, the company is entitled to pool client orders as long as this is in line with the company's contractual or legal obligations. A mixed rate is used as the basis for allocation to the individual deposit accounts and execution at more than one rate.

In some cases, such consolidation can be slightly disadvantageous for the Fund due to the corresponding rounding up or down of figures. If the order cannot be executed completely, the management company will execute the client orders (including Fund orders) in proportion with the original instructions.

The management company may pass on part of the management fee and any issue fees entirely or in part to its distribution partners in the form of brokerage commission. The extent of commission payments is calculated on the basis of the stock or average stock of the established fund volume. In this way, the majority of the management fee may be passed on to the distribution partners of the management company in the form of commission. Furthermore, portfolio commission may be paid entirely or in part from target fund investments to the custodian bank, the fund manager, the management company or the distributors. Part of the annual management fee for this fund may be paid entirely or in part from target fund investments as a rebate to the custodian bank, the fund manager, the management company or the distributors. Above and beyond the management fee, the distribution partners may receive additional remuneration from the management company if they distribute products from the complete range offered by the management company that go beyond a predefined threshold value. The management company may also give further benefits to its distribution partners in the form of supportive benefits in kind (e.g. employee training) and performance bonuses where applicable, which are also associated with the brokerage services of the distribution partners. These shall not be indicated separately in fund asset records. Such benefits do not run contrary to the interests of the investor; in fact, they are provided in order to maintain and further improve the quality of the services offered by the distribution partners. The investors may contact the distribution partners for more information about such benefits.

The management company acts in its own name and on the common behalf of the unit-holders of the relevant sub-fund.

In addition to this **M&W Invest**, the management company also manages the following funds in the form of "fonds commun de placement" (FCP) or "société d'investissement à capital variable" (SICAV):

FCP	SICAV
1A aggressive return 1A Global Balanced AKS Global BG Umbrella Fund BV Global Balance Fonds CW-MatrixCreativ Deutsche Aktien Total Return DWM Umbrella Fund E&G Portfolio E.I. Capital Ethna-AKTIV E Ethna-GLOBAL Defensiv Europa-Lux EuroRent 3-6 Finanzmatrix GIP Invest GIP InvestWorld GIP Global Family Protect Umbrella Global Family Value Umbrella Fund Guliver Sicherheit Guliver Wachstum HSH Money HWB Dachfonds HWB Umbrella Fund K&C Aktienfonds	AHW SICAV LR II E&G Fonds Fidecum SICAV IV Umbrella Fund LB Global Funds LBBW Alpha Stable MUNICH INVEST Staedel Hanseatic Sicav Swiss Rock (Lux) Sicav Swiss Rock (Lux) Dachfonds Sicav

ka3 multi asset plus LBBW Alpha Dynamic LBBW Asset Strategie LBBW Bond Select LBBW Equity Select LBBW Opti Return LBBW Opti Return kurz LBBW Total Return Dynamic LiLux Convert LiLux Umbrella Fund LRI ABS FONDS LRI-A.C.-Fonds M & W Invest M & W Privat NW Global Strategy Private Banking World Invest Swiss Strategie Vermögen-Global Vermögensportfolio Ulm VMP EuroBlue Systematic VOLANDO Umbrella Fund VV-Strategie	
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3. The investment advisor

Subject to its own responsibility and supervision, the management company may call in an investment advisor in connection with the management of the fund units at the cost of the fund assets.

The main tasks of the investment advisor are to observe the financial markets, analyse the composition of the fund assets and submit investment recommendations to the management company, with all due consideration of the investment policy principles for the fund and all relevant statutory and legal investment restrictions.

The investment advisor is Mack & Weise GmbH Vermögensverwaltung ("investment advisor"). The investment advisor has specialised in the management of securities portfolios since its foundation in 1989 (founded as a civil law association [GbR]). The acting partners are the asset managers Martin Mack and Herwig Weise. The investment advisor is an independent asset management company that follows a conservative investment policy. Since its foundation, the business policy of Mack & Weise GmbH Vermögensverwaltung has been to participate in the value growth of the managed assets through a performance fee and thus link its own financial success to that of the investors.

The investment advisor is authorised to issue predictions, advice and recommendations about investment selection and the selling or buying of securities for the fund under the general control and responsibility of the management company within the framework of the daily investment policy of the management company. The management company shall safeguard the daily management of fund assets; all investment decisions will therefore be taken by the management company.

The investment advisor shall not accept monies or other asset values from investors.

4. The custodian bank / registrar and transfer agent

The custodian bank / registrar and transfer agent for the fund is LBBW Luxemburg S.A., formerly trading as LRI Landesbank Rheinland-Pfalz International S.A., based at 10-12, Boulevard Roosevelt, L-2450 Luxembourg. It is a limited company under Luxembourg law (Law of 5 April 1993 on the financial sector) and is established for an unlimited term. The custodian bank carries out all types of banking transactions. The function of the custodian bank, registrar and transfer agent is based on the Law of 20 December 2002, the custodian bank and main paying agent agreement, the registrar and transfer agent agreement, the general management regulations (Article 3), the special regulations and the sales prospectus. Transactions within the fund portfolio are handled by the custodian bank, which acts in the interests of the unit-holders.

LBBW Luxemburg S.A. is a 100% subsidiary of Landesbank Baden-Württemberg.

Foreign securities bought or sold abroad or stored at home or abroad for the fund by the custodian bank are often subject to foreign legal systems. The rights and obligations of the custodian bank or the fund are therefore determined by these legal systems, which may also require the disclosure of the names of the investors. When purchasing fund units, investors should be aware that the custodian bank must reveal such information to foreign agents if necessary, as this is a statutory obligation to the supervisory authorities.

Bank credit held by the custodian bank and other credit institutions (where appropriate) is not protected by any arrangement to protect the deposits.

The main function of the registrar and transfer agent is to execute orders for unit subscription, redemption, conversion and transfer, as well as to run the unit register.

5. The purchase, redemption and conversion of units

Sub-fund units can be purchased from and redeemed or converted by the management company, the registrar and transfer agent or the paying agents and distributors listed in this sales prospectus under "Management and administration".

In order to prevent money laundering, each subscriber must identify him/herself to the management company, the registrar and transfer agent and/or the distributor when purchasing units.

The fund management company does not allow the practice of market timing (= frequent share certificate dealing within a short space of time that exploits time differences and/or differences in net inventory value calculations) or late trading (= the acceptance of share certificate transactions after the 6 pm cut-off time and the recording of this share certificate transaction on the basis of the net inventory value of the next day, instead of the day after next) and reserves the right to refuse subscription applications from an investor that the management company suspects of using such practices. The fund management company reserves the right to take measures to protect the other fund investors if necessary.

6. Your contacts

Payments relating to the issue, redemption or conversion of units in the sub-fund described in this sales prospectus and the payment of dividends are carried out by the management company or by the paying agents listed in the sales prospectus. Information for unit-holders is available free of charge from these agents. You can also request details of the issue and redemption prices on each trading day from the headquarters of the management company, the registrar and transfer agent, the custodian bank and any of the paying agents (for more details about the calculation of unit value, see Article 7 of the general management regulations attached hereafter).

The simplified sales prospectus, this sales prospectus, the general management regulations and the special regulations for the sub-fund, plus all statements of account, semi-annual reports and other sales documents are available free of charge from the headquarters of the management company and any of the paying agents or distributors.

7. Taxes

In principle, the fund's income is not subject to income or corporation tax in the Grand Duchy of Luxembourg. However, it may be subject to withholding tax or other taxes in countries in which the fund assets are invested. Neither the management company nor the custodian bank is obliged to obtain tax certificates for individual or all unit-holders.

The fund's assets are subject to a "taxe d'abonnement" of 0.05% each year in the Grand Duchy of Luxembourg, payable on the net assets of the fund shown at the end of each quarter. This tax does not apply to the part of the fund's assets that is invested in shares in other organisms for collective investment that are already subject to the taxe d'abonnement according to the relevant conditions of Luxembourg law. Unit-holders not resident in Luxembourg or who do not operate their business there do not have to pay income, inheritance or capital tax on their units or yields from units in Luxembourg. The relevant national taxation regulations apply to such cases.

EU Savings Directive

The directive on the taxation of cross-border savings income was concluded on 3 June 2003 by the European Council and entered into force on 1 July 2005. Its basic overall objective is to use the exchange of information to ensure effective taxation on income accruing for individuals within the framework of interest payments in a state different to their fiscal country of residence.

As of 1 July 2005, the arising withholding tax is 15% initially and will rise in stages to 35% as of 1 July 2011.

EU withholding tax is not final and does not release the unit-holder from his/her obligations to declare savings income as part of his/her personal tax declaration.

The relevant national taxation regulations apply to unit-holders who are not resident in Luxembourg or who do not operate their business there. In terms of savings and capital income, the investor may be subject to individual taxation.

Interested parties should inform themselves about the laws and ordinances applying to the purchase, ownership and redemption of units and, if appropriate, seek advice.

Sub-fund Sales Prospectus M & W Invest: M & W Capital

8. Investment objective and policy for the sub-fund M & W Invest: M & W Capital

The main objective of the investment policy for M & W Invest: M & W Capital ("sub-fund") is to generate above-average returns while at the same time restricting any fluctuations in the value of the sub-fund assets.

To achieve this objective, the sub-fund will be invested in accordance with the principle of risk diversification by purchasing shares, fixed-income and floating-rate bonds, debentures, convertibles, option bonds whose warrants relate to securities, warrants on securities, participation certificates and index certificates. Depending on the market situation and the unit-holder's interests, the sub-fund management company may invest up to 100% in shares and bonds or money-market instruments and cash, including demand deposits.

Index certificates are bearer debentures that guaranteed a participation in the development of an index and are issued on the capital market. Index certificates do not guarantee any claim to the underlying shares – only the right to payment of a monetary sum that depends on the score reached by the relevant index.

The assets purchased by the sub-fund are mainly issued or guaranteed by first-class international issuers in the currencies of the Member States of the Organisation for Economic Cooperation and Development ("OECD"), including the EURO. A limited number of the sub-fund investments may be in securities issued by issuers from emerging markets.

In terms of ordinary management of the sub-fund assets and to cover currency risks, the sub-fund may use techniques and instruments that are based on securities or used to cover currency and interest risks, within the terms of statutory conditions and restrictions. Warrants for currencies, interest and indices can be purchased for the sub-fund in this context. However, the use of techniques and instruments for purposes other than securitisation is only allowed on a supplementary basis in the interests of increasing value development, without affecting the basic character of the investment policy through the use of such techniques or instruments.

For more details about investment limits, see Article 4 of the general management conditions attached to this sales prospectus.

No more than 10% of the sub-fund assets are invested in open-ended target funds.

The sub-fund is established for an unlimited term.

It is not intended to list the sub-fund units on a stock exchange.

The sub-fund uses the euro as its currency.

Outside the Grand Duchy of Luxembourg, it is intended to sell sub-fund units publicly in the Federal Republic of Germany.

9. Overview: Sub-fund M & W Invest: M & W Capital

Fund created on	31 March 2001
Duration of the fund	Unlimited
First day of issue	02 April 2001
Payment of first issue price	05 April 2001
First issue price (plus sales charge)	EUR 50.00
Sales charge (in favour of the distributor)	Up to 4%
Unit class	None
Denomination	Global certificate
Sub-fund currency	Euro
Redemption fee	None
Conversion fee	None
Savings plans	None
Withdrawal plans	None
Management fee (in % of net sub-fund assets)	0.075% p.a., at least EUR 40,000 p.a. The management fee is calculated quarterly in arrears on the average net fund assets during the relevant quarter and is to be paid quarterly in arrears.
Investment advice fee Fixed: (in % of net sub-fund assets)	1.4250% p.a. The aforementioned investment advice fee is calculated quarterly in arrears on the average net sub-fund assets during the relevant quarter and is to be paid quarterly in arrears.
Variable:	In addition to this fee, the investment advisor shall receive a performance fee from the net sub-fund assets in the amount of 10% of the annual net value increase achieved for the sub-fund assets. The performance fee is calculated quarterly and is to be paid the month after the quarter ends. If net value reductions are recorded for the financial year, these are to be carried forward to the following financial year for the calculation of the performance fee and no performance fee will then be paid if the asset value is below the

	level at which a performance fee was last paid.
Custodian bank fee	Up to 0.10% p.a., at least EUR 30,000 p.a. The custodian bank fee is calculated quarterly in arrears on the average net fund assets during the relevant quarter and is to be paid quarterly in arrears.
Registrar and transfer agent fee	None
Sales commission	None
End of financial year	31 March
Statement of accounts and semi-annual report	
Statement of accounts	31 March
Semi-annual report	30 September
Use of profits	Reinvestment
ISIN Code	LU 0126525004
Securities number	634 782
Most recent publication in Mémorial C	
General management regulations	First time: 23.08.1993 Most recent: 29.10.2001
Special regulations	26.04.2001
Most recent publication date of record note in Mémorial C	
General management regulations	First time: 30.11.2004 Most recent: 31.10.2008
Special regulations	First time: 30.09.2005 Most recent: 15.08.2009

10. Risk notes

In accordance with the principle of risk diversification, the sub-fund **M & W Invest: M & W Capital** may be invested by purchasing shares, fixed-income and floating-rate bonds, debentures, convertibles, warrant-linked bonds, warrants, participation certificates, index certificates and money market instruments that are mainly based on currencies from the OECD Member States. The expected performance of the assets is the focus when selecting investment values. Please note that as well as offering chances for price gains and yields, securities may also be subject to risks, as rates may fall below the basis price.

Shares and securities of a character similar to shares are subject to significant price fluctuations, in our experience. This is why they offer chances for considerable price gains, but also corresponding risks. The main influential factors for share prices are the profit developments of individual companies and sectors, as well as overall economic developments and political perspectives that determine expectations for the securities markets and thus the formation of the market price.

The main influential factors for price changes in **fixed-income securities** are interest developments on the capital markets, which in turn are influenced by overall economic factors. Fixed-income securities may suffer price drops when capital market interest rates rise and may record price increases when capital market interest rates drop. Price changes are also dependent on the term or residual term of the fixed-income securities. As a rule, fixed-income securities with shorter terms offer lower price risks than those with longer terms. However, this lesser risk usually comes hand in hand with low returns and higher reinvestment costs due to the more frequent maturity of the portfolios. Another significant aspect for fixed-income securities is the credit risk, i.e. the risk of loss due to an inability to pay on the part of the issuer (issuer risk).

Convertibles and warrant-linked bonds are fixed-income partial debentures where the bearer has the chartered right to convert the obligation into shares within a set period at a set conversion ratio, with an additional payment if necessary. This means convertibles and warrant-linked bonds are subject to the typical risks of fixed-income securities, as well as the typical risks of shares.

Issuer risk cannot be excluded, even after careful selection of the securities to be purchased. If an issuer fails to pay, the sub-fund may lose the entirety of its claims for capital and yield payments.

Warrants are investment instruments with a leverage effect that ensures large volumes can be traded with a comparatively low injection of capital.

Given this leverage effect, warrants are considered to be particularly volatile investment instruments. Both increases and losses in the price of the securities that form the basis of the warrant can have a disproportionately huge effect on the price development of the warrant. Investment in the sub-fund is therefore only recommended for those investors who are acquainted with the specific risks of such warrants.

The sub-fund assets are denominated in EUR. Exchange rate chances and risks apply to investments in assets denominated in other currencies. The so-called **exchange rate risk** may apply to the benefit or detriment of the investor.

Structured products (e.g. "Structured Notes") are composite products and may include derivatives and/or other techniques and instruments. This means that the risk characteristics of derivatives and other techniques and instruments must be observed, as well as the risk characteristics of securities.

Derivatives and other techniques and instruments (such as options, futures, financial futures contracts) are associated with significant chances, but also significant risks. Given the leverage effect of these products, the sub-fund may be subject to high obligations or losses with a relatively low injection of capital. The extent of the risk of loss is often impossible to predict in advance and may go beyond any securities already paid. The risk of loss may increase if obligations from these transactions are in currencies other than the fund reference currency.

Various risks are associated with investment in **emerging countries**. These are mainly linked to the rapid economic development process that can sometimes arise in these countries. Furthermore, these are markets with low market capitalisation and they tend to be volatile and illiquid. Other factors (such as political changes, exchange rate changes, stock exchange checks, taxes, restrictions on foreign capital investments and return flow etc.) can also impair the marketability of the values and their resultant yields.

Under certain circumstances, the ability to pay of various issuers in the markets in which the sub-fund may be invested may be uncertain, in terms of both the main claim and the payment of interest. No assurance can be given for the issuers' ability to pay.

Furthermore, these companies may be subject to very little state supervision and differentiated legislation. Their accounting and auditing processes may not always correspond to the state of the art.

The aforementioned risks are the fundamental risks of investment in the sub-fund. The individual risks may be greater or less, depending on the investment focus. Potential investors should be aware of the risks that may arise from investment in this sub-fund and should seek the advice of their personal investment advisor. In general, we recommend that investors contact their investment advisors regularly to find out about the development of the sub-fund. In essence, no assurance can be given that the objectives of the investment policy will be achieved.

11. Profile of investor group

The sub-fund **M & W Invest: M & W Capital** is suitable for investors who view the investment fund as a suitable means for participating in developments on the capital market. It is particularly suitable for experienced investors who are following longer-term investment objectives. Investors must also be capable of coping with the major fluctuations that can sometimes occur.

Management and Administration

Management company:

LRI Invest S.A.
1 C, Parc d'activité Syrdall
L-5365 Munsbach, Luxembourg
www.lri-invest.lu

Managing Board of the management company:

Markus Gierke
Chairman of the Managing Board
LRI Invest S.A., Munsbach/Luxembourg

Bernd Schlichter
Member of the Managing Board
LRI Invest S.A., Munsbach/Luxembourg

Supervisory Board of the management company

Horst Marschall (Chairman)
Member of the Executive Board of Baden-
Württembergischen Bank, Stuttgart/Germany

Achim Koch (Vice-Chairman)
Chairman of the Executive Board of BW-Invest
GmbH, Stuttgart/Germany

Manuel Köppel (Member of the Supervisory Board)
Landesbank Baden-Württemberg,
Stuttgart/Germany

Custodian bank / registrar and transfer agent:

LBBW Luxembourg S.A.
10-12, Boulevard Roosevelt
L-2450 Luxembourg
www.lbbw.lu

Paying and information agent:

Grand Duchy of Luxembourg:
LBBW Luxembourg S.A.
10-12, Boulevard Roosevelt
L-2450 Luxembourg
www.lbbw.lu

Initiator and investment advisor:

Mack & Weise GmbH
Vermögensverwaltung
Colonnaden 96
D-20354 Hamburg

Auditor:

PricewaterhouseCoopers S.à r.l.
Réviseur d'entreprises
400, route d'Esch
L-1014 Luxembourg

The above details are updated regularly in the statement of accounts and semi-annual reports.

General Management Regulations

The **general management regulations** ("general management regulations") define the general principles for the fund created and managed by LRI Invest S.A. ("management company") in accordance with **Part I** of the Law of **20 December 2002** on undertakings for collective investment in the form of "Fonds Commun de Placement", insofar as the special regulations for the relevant fund declare these management regulations to be an integral component. The specific characteristics of the fund are described in the special regulations for the relevant fund, in which supplementary and deviating regulations may be laid down for some of the individual conditions of these management regulations.

The original version of the general management regulations and any amendments have been or will be recorded in the trade and companies register in Luxembourg. A reference to each related record is published in Mémorial C, Recueil des Sociétés et Associations, the official gazette of the Grand Duchy of Luxembourg ("Mémorial").

Article 1 The fund

1. Each fund is a legally non-independent special asset ("fonds commun de placement"), consisting of securities and other asset values ("fund assets") that are managed in accordance with the principles of risk diversification. The relevant net fund assets (fund assets minus the liabilities accrued for the relevant fund) must reach a counter-value of at least EUR 1,250,000 within six months of approval of the corresponding fund. Each fund is managed by the management company. The asset values that make up the corresponding fund assets are managed by the custodian bank.
2. The contractual rights and obligations of the unit-holders ("unit-holders"), the management company and the custodian bank are regulated in these management regulations and the special regulations for each fund, which are both compiled by the management company in consultation with the custodian bank.

By purchasing a unit, each unit-holder acknowledges these management regulations, the special regulations for the relevant funds and all amendments to either set of regulations.

Article 2 The management company

1. The management company is LRI Invest S.A.
2. The management company manages the fund in its own name, but exclusively in the interests of and on the common account of the unit-holders. Management authorisation covers the exertion of all rights that are connected directly or indirectly with the asset values of the relevant fund.
3. The management company shall define the investment policy of the relevant fund with all due consideration of statutory and contractual investment restrictions. The management company may entrust legal entities with the execution of everyday investment policy at its own responsibility.
4. At its own costs and responsibility, the management company may use the services of an investment advisor – in particular, it may seek the advice of an investment committee. If the investment advisor and/or committee is to be paid from the fund assets, this fee shall be mentioned in the special regulations for the relevant fund.

5. The management company shall take on all the tasks of a central management office. The management company reserves the right to outsource some tasks to third parties. Where tasks are to be outsourced to third parties, this shall be mentioned in the special regulations.

Article 3 The custodian bank

1. The custodian bank for a fund is defined in the relevant special regulations.
2. The custodian bank is entrusted with the management of the asset values of the relevant fund. The rights and obligations of the custodian bank are based on corresponding legislation, these management regulations, the relevant special regulations and the appropriate custodian bank agreement.
3. All securities and other asset values of a fund are stored by the custodian bank in restricted accounts and deposits that can only be used in accordance with the conditions of these management regulations and the relevant special regulations. At its own responsibility and with the consent of the management company, the custodian bank may commission a third party (particularly other banks and central security depositories) to manage the securities and other asset values.
4. Where legally permissible, the custodian bank is authorised and obliged in its own name to
 - a) Assert unit-holder claims against the management company or a previous custodian bank;
 - b) Appeal against third-party enforcement measures and proceed when there is enforcement of a claim for which the relevant fund assets are not liable.
5. The custodian bank is bound to the instructions of the management company, unless such instructions partially or wholly contradict the law, these management regulations, the special regulations and the sales prospectus of the relevant fund.
6. The custodian bank is entitled to terminate its appointment as custodian bank at any time in accordance with the relevant custodian bank agreement. In this case, the management company is obliged to dissolve the fund in accordance with Article 12 of these management regulations, unless it can appoint another bank as the custodian bank within two months at the latest of the termination date with the approval of the competent supervisory authorities; until then, the former custodian bank shall carry out the full extent of its obligations as custodian bank in order to protect the interests of the unit-holders.

The management company is also entitled to terminate the custodian bank appointment at any time in accordance with the relevant custodian bank agreement. Such a termination must also result in the dissolution of the fund in accordance with Article 12 of the management regulations, unless the management company appoints another bank as the custodian bank within two months at the latest of the termination date with the approval of the competent supervisory authorities, whereby this bank shall immediately assume the legal functions of the previous custodian bank.

Article 4 General investment policy guidelines

The investment objectives and specific investment policy of a fund are defined on the basis of the following general guidelines in the special regulations for the relevant fund.

The following definitions apply:

"Third country":

A third country in the sense of these management regulations is any European country that is not a member of the European Union and any state/country in America, Africa, Asia or Australia and Oceania.

"Money market instruments":

Instruments that are normally traded on the money market, that are liquid, whose values can be determined precisely at any time and that also comply with the prerequisites of Article 3 of Commission Directive 2007/16/ EC.

"Regulated market":

A market as defined in Article 1, Section 13 of Directive 93/22/EEC.

"UCI": Undertakings for collective investment.

"UCITS": Undertakings for collective investment in transferable securities that are subject to the amended Directive 85/611/EEC.

"Directive 2007/16/EC"

Commission Directive 2007/16/EC of 19 March 2007 implementing Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions. It was implemented in Luxembourg law by the regulations of the Grand-Ducal Regulation of 8 February 2008 relating to certain definitions of the amended law of 20 December 2002 concerning undertakings for collective investment

"CSSF Circular 08/356"

Rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments, dated 4 June 2008.

"Securities":

- Shares and other securities equivalent to shares ("shares")
- Debentures and other chartered debt instruments ("debt instruments")
- All other negotiable securities in the sense of Directive 2007/16/EC that authorise the purchase of securities via subscription or conversion, with the exception of the techniques and instruments listed below in Section 5 of this Article.

The investment policy of a fund is subject to the following regulations and investment restrictions:

1. Fund investments may consist of the following asset values:

Based on the specific investment policy of the relevant fund, some of the following investment options may not apply to certain funds. Where necessary, this will be mentioned in the special regulations of the relevant fund.

- a) Securities and money market instruments that are listed or traded on a regulated market;
- b) Securities and money market instruments that are traded on another market that is recognised, regulated, open to the public and operates regularly in a Member State of the European Union;

- c) Securities and money market instruments that are authorised for official listing on a securities exchange in a third country or traded there on another regulated market that is recognised, open to the public and operates regularly;
- d) Securities and money market instruments from new issues, as long as the issue conditions include an obligation for application for licensed trading on a regulated market in the sense of the conditions under 1. a) to c) above and this licence is granted within one year of the issue at the latest;
- e) Units from UCITS licensed by Directive 85/611/EEC and/or other UCI in the sense of Article 1, Paragraph 2, first and second bullet of Directive 85/611/EEC with headquarters in a Member State of the European Union or a third country, as long as
 - These other UCI are licensed under legal regulations that subject them to official supervision equivalent to that provided under Community law in the opinion of the Luxembourg supervisory authority responsible for the financial sector (the "CSSF") and that provides sufficient guarantee for cooperation between the authorities;
 - The level of protection for unit-holders in the other UCI is equivalent to the level of protection for unit-holders in UCITS and the following regulations are equivalent to the requirements of Directive 85/611/EEC: separate keeping of fund assets, borrowing, lending and short sale of securities and money market instruments;
 - The business activities of the other UCI are the subject of semi-annual and annual reports that facilitate the assessment of assets, liabilities, yields and transactions in the reporting period;
 - The UCITS or other UCI in which units are to be purchased may invest a maximum of 10% of their assets in units of other UCITS or UCI according to their registration documents;
- f) Demand deposits or callable deposits with a maximum term of 12 months with credit institutions, as long as the relevant credit institution is based in a Member State of the European Union or, where it is based in a third country, if it is subject to supervisory conditions equivalent to those of Community law in the opinion of the Luxembourg supervisory authority;
- g) Derivative financial instruments such as options, futures and swaps ("derivatives"), including equivalent cash instruments that are traded on the regulated markets listed under a), b) and c) and/or derivative financial instruments that are not traded on a stock exchange ("OTC derivatives"), as long as
 - The underlying instruments are instruments pursuant to para. 1, letters a) through h) herein, or are financial indices, interest rates, exchange rates or currencies;
 - The counter-parties for OTC derivative transactions are institutions subject to official supervision in categories authorised by the Luxembourg supervisory authority and
 - The OTC derivatives are subject to reliable, traceable valuation on a daily basis and can be sold, liquidated or settled by a counter-transaction at any time on the initiative of the relevant fund at an appropriate current value.

h) Money market instruments that are not traded on a regulated market and do not fall under the aforementioned definitions, as long as the issue or issuer of these instruments is subject to regulations on deposit and investor protection, and provided that they are

- Issued or guaranteed by a central, regional or local corporation or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third country or, if a Federal State is involved, a member state of the Federation or an international institution under public law to which at least one Member State belongs, or
- Issued by a company whose securities are traded on the regulated markets listed above under a), b) und c), or
- Issued or guaranteed by an institution that is subject to and complies with official supervision according to the criteria defined in Community law or an institution subject to and compliant with supervision conditions that are at least as strict as those of Community law in the opinion of the Luxembourg supervisory authority, or
- Issued by other issuers belonging to a category licensed by the Luxembourg supervisory authority, as long as investor protection regulations apply to investments in these instruments that are equivalent to the first, second or third bullet points here and as long as the issuer is either a company with equity of at least EUR ten million (EUR 10,000,000) that compiles and publishes its annual accounts in accordance with the regulations of the Fourth Directive 78/660/EEC or a legal entity that is responsible for Group financing within a corporate group that consists of one or more companies listed on the stock exchange, or a legal entity that finances the securitisation of liabilities by using a credit line granted by a bank.

2. Furthermore, any fund may:

- a) Invest up to 10% of its net assets in securities and money market instruments other than those named under Section 1;
- b) Hold up to 49% of its net assets in cash; more than 49% may be held in exceptional cases, if this seems necessary in the interests of the unit-holders.
- c) Take up credits for a short period for a counter-value of up to 10% of its net assets. Hedging transactions connected with the sale of options or the purchase / sale of forward contracts and futures are not considered to be borrowing in the sense of this investment restriction.
- d) Purchase foreign currency within the framework of a "back-to-back" transaction.

3. Furthermore, the following investment restrictions must be taken into account for a fund when investing its assets:

- a) A fund may invest a maximum of 10% of its net assets in securities or money market instruments from one and the same issuer. A fund may invest a maximum of 20% of its net assets in deposits with one and the same institution. The counterparty default risk for fund transactions with OTC derivatives must not exceed 10% of the fund's net assets, if the counterparty is a credit institution in

the sense of 1. f). In other cases, the maximum limit is 5% of the net assets for the relevant fund.

- b) The total value of securities and money market instruments from issuers with whom the fund invests more than 5% of its net assets must not exceed 40% of the value of the net assets. This restriction does not apply to deposits and transactions with OTC derivatives carried out by financial institutions that are subject to official supervision.

Irrespective of the individual upper limits defined in 3. a), a fund may invest a maximum of 20% of its net assets within one and the same institution in a combination of

- Securities or money market instruments issued by this institution and/or
- Deposits with this institution and/or
- Transactions carried out with this institution via OTC derivatives.

- c) The upper limit defined in 3. a) Sentence 1 shall be a maximum of 35% if the securities or money market instruments are issued or guaranteed by a Member State of the European Union or its regional authorities, a third country or an international association under public law to which at least one Member State of the European Union belongs.
- d) The upper limit defined in 3. a) Sentence 1 shall be a maximum of 25% for certain debentures if these are issued by a credit institution based in a Member State of the European Union that is subject to particular official supervision on the grounds of statutory regulations to protect the holders of such debentures. In particular, the yields from the issue of these debentures must be invested in accordance with statutory regulations in asset values that sufficiently cover the resultant liabilities throughout the term of the debentures and that are first and foremost to be used to repay capital and pay any interest due if the issuer defaults.

If a fund invests more than 5% of its net assets in debentures in the sense of the above subparagraph that are issued by one and the same issuer, the total value of these investments must not exceed 80% of the net asset value of the fund.

- e) The securities and money market instruments listed in 3. c) and d) are not taken into consideration when applying the 40% investment limit defined in 3. b).

The limits defined in 3. a), b), c) and d) may not be added together; this means that investments made in accordance with 3. a), b), c) and d) in securities or money market instruments from one and the same issuer or deposits with these issuers or in derivatives with the same must not exceed 35% of the net assets of the relevant fund.

Companies that belong to the same corporate group in terms of the compilation of consolidated annual accounts in the sense of Directive 83/349/EEC or in accordance with the recognised international accounting regulations, are to be considered as a single issuer when calculating the investment limits specified here in a) to e).

In cumulative terms, a fund may invest up to 20% of its net assets in securities and money market instruments from one and the same corporate group.

- f) Irrespective of the investment limits defined in 3. k), l) and m) below, the upper limits defined in 3. a) to e) for investments in shares and/or debt instruments from one and the

same issuer shall be a maximum of 20% if the objective of the fund investment strategy is to emulate a certain share or debt instruments index recognised by the Luxembourg supervisory authority. The following prerequisites apply:

- The composition of the index must be sufficiently diversified;
 - The index must represent an adequate reference base for the market to which it refers itself;
 - The index must be published in an appropriate way.
- g) The limit defined in 3. f) is 35% if this is justified due to extraordinary market conditions, particularly on regulated markets on which certain securities or money market instruments are strongly dominant. Investment up to this upper limit is only possible with a single issuer.
- h) Irrespective of the conditions of 3. a) to e), a fund may invest up to 100% of its net assets in accordance with the principle of risk diversification in securities and money market instruments from various issuers that are issued or guaranteed by a EU Member State or its regional authorities, another member state of the OECD or an international organisation under public law to which one or more Member States of the European Union belong, provided that (i) such securities are issued as part of at least six different issues and (ii) no more than 30% of the net fund assets is invested in securities from one and the same issue.**
- i) A fund may purchase shares in other UCITS and/or other UCI in the sense of 1. e) if it does not invest more than 20% of its net assets in one and the same UCITS or another UCI.

When applying this investment limit, each sub-fund of an umbrella fund is to be treated as an independent issuer in the sense of Article 133 of the Law of 20 December 2002, provided that the principle of individual liability per sub-fund is maintained in relation to third parties.

- j) Investments in shares in other UCI as UCITS must not exceed 30% of the net fund assets.

If a fund has purchased shares in a UCITS and/or other UCI, the investment values of the relevant UCITS or other UCI are not taken into consideration in the upper limits defined in 3. a) to e).

If a fund purchases shares in other UCITS and/or other UCI that are directly or indirectly managed by the same management company or another company linked to the management company via common management or control or via a significant direct or indirect participation, the management company or the other company may not charge fees for the subscription or repurchase of shares in the other UCITS and/or other UCI by the fund.

However, if the fund invests in shares in target funds that are created and/or managed by other companies, it should be borne in mind that issue and redemption fees may be charged for these target funds. The issue and redemption fees paid by the fund will be specified in the relevant statement of accounts.

If the fund invests in target funds, the fund assets will also be used to cover fees for fund management of the target fund, in addition to fund management fees for the investing fund. In this regard,

double charges may be possible in terms of fund management fees.

- k) The management company may not purchase voting stock for itself or the funds it manages to an extent that will allow it to exert a significant influence on the management of the issuers.
- l) Furthermore, the fund may not purchase more than:
 - 10% of non-voting stock from one and the same issuer;
 - 10% of debentures from one and the same issuer;
 - 25% of shares from one and the same UCITS and/or another UCI;
 - 10% of money market instruments from one and the same issuer.

The limits specified under the second, third and fourth bullet points do not need to be obeyed when making a purchase if the gross sum of the debentures or money market instruments or the net sum of the issued shares cannot be calculated at the time of purchase.

- m) The existing conditions under 3. k) and l) are not applicable to:
 - aa) Securities and money market instruments that are issued or guaranteed by a Member State of the European Union or its regional authorities;
 - bb) Securities and money market instruments that are issued or guaranteed by a third country;
 - cc) Securities and money market instruments that are issued by international undertakings under public law to which one or more Member States of the European Union belong;
 - dd) Shares in companies founded in accordance with the laws of a country that is not a Member State of the EU, as long as (i) the company mainly invests in securities from issuers in this country, (ii) fund participation in the capital of such a company is the only possible way to purchase securities from issuers in this country according to the country's law and (iii) this company complies with the investment restrictions listed under 3. a) to e) and 3. i) to l) within the framework of its asset investments.
- n) No fund may purchase goods or precious metals or certificates for these.
- o) No fund may invest in real estate, although it may invest in property-assured securities or interest thereon or in securities issued by companies that invest in real estate and interest thereon.
- p) No credits or guarantees may be issued for third parties at the expense of the assets of a fund, although this investment restriction does not prevent a fund from investing its net assets in securities, money market instruments or other financial instruments in the sense of 1. e), g) and h) above that have not been fully paid in.
- q) No short sales of securities, money market instruments or other financial instruments listed under 1. e), g) and h) above may be carried out.

4. Irrespective of any conditions defined here to the contrary:

- a) Funds do not need to comply with the investment limits defined in 1. to 3. above when exercising subscription rights linked to securities or money market instruments held in their fund assets.
- b) Newly licensed funds can deviated from the conditions defined in 3. a) to j) during a period of six months as of their licensing, as long as appropriate risk diversification is ensured.
- c) If these conditions must be exceeded due to reasons out of the control of the corresponding fund or due to subscription rights, a fund must then ensure that priority is given to streamlining the situation through its sales transactions with all due consideration of the interests of its unit-holders.
- d) If an issuer is a legal entity with multiple sub-funds whereby the assets of a sub-fund are liable exclusively to the claims of the investors in this sub-fund and those of creditors whose claim arises on the occasion of the foundation, running term or liquidation of the sub-fund, each sub-fund is to be considered as an independent issuer for the purposes of the application of risk diversification regulations under 3. a) to g) and 3. i) and j).

The fund management board is entitled to set further investment limits if this is necessary in order to comply with statutory and administrative legal conditions in countries in which the fund units are offered or sold.

5. Techniques and instruments

a) General provisions

The fund may make use of derivatives and other techniques and instruments in the sense of Article 11 of Directive 2007/16/EC for the purposes of efficient management of the portfolio or management of the term or risk. If these transactions relate to the use of derivatives, the total base value risk must not exceed the investment limits of 3. a) to e) above.

Furthermore, the provisions of Section 6 of this Article are to be followed in relation to the risk management procedure for derivatives. Under no circumstances may a fund deviate from the investment objectives defined in the special regulations for the relevant fund when it comes to transactions with derivatives or other techniques and instruments, nor may such actions lead to the assumption of additional risks above and beyond the risk profile described in the sales prospectus.

The other techniques and instruments must be used for the purposes of efficient portfolio management within the framework of the specifications in CSSF Circular 08/356; this requires the fulfilment of the following criteria:

- a) They are economically appropriate, in that they are realised in a cost-effective way;
- b) They are entered into for one or more of the following specific objectives:
 - i) Reduction of risk;
 - ii) Reduction of costs;
 - iii) Generation of capital or additional yields for the fund with a level of risk consistent with the risk profile of the fund and the risk diversification regulations applicable to it;
- c) The risks associated with the techniques and instruments are adequately captured by the risk management procedure of the fund.

b) Securities lending

The fund may act as lender or borrower in securities lending, whereby such transactions must comply with the following regulations and those of CSSF Circular 08/356:

- aa) The fund may lend and borrow securities either directly or through a standardised securities lending system that is organised by a recognised securities settlement or clearing institutions such as CLEARSTREAM or EUROCLEAR, or by a first-class financial institution specialising in such transactions that is subject to statutory supervisory regulations equivalent to EU conditions in the opinion of CSSF.

In all cases, the counterparty in the securities lending agreement (i.e. the borrower) must be subject to statutory supervisory regulations equivalent to EU conditions in the opinion of CSSF. If the aforementioned financial institution acts on its own account, it is to be considered as the counterparty in the securities lending agreement. If a fund lends its securities to companies linked to the fund by common management or control, specific attention must be paid to the conflicts of interest that may arise therefrom.

Either beforehand or at the same time as the transfer of the lent securities, the fund must receive a guarantee that complies with the requirements of Section 2) of d) "Counterparty risk and provision of guarantee" below. When the securities lending agreement expires, the guarantee will be returned simultaneously or directly after the return of the lent securities. If using a standardised securities lending system organised by a recognised securities settlement institution or a securities lending system organised by a financial institution specialising in such transactions and subject to statutory supervisory regulations equivalent to EU conditions in the opinion of CSSF, the lent securities may be transferred before receipt of the guarantee if the intermediary guarantees the proper completion of the transaction. In the place of the borrower, this intermediary can provide the fund with a guarantee that complies with the requirements defined under Section 2) of d) "Counterparty risk and provision of guarantee" below.

- bb) The fund must ensure that the volume of securities lending transactions is kept at an appropriate level or that it may request the return of the lent securities in such a way that enables it to comply with its redemption obligations at all times, as well as ensuring that these transactions do not jeopardise the management of the fund's assets in accordance with its investment policy. For each concluded securities lending transaction, the fund must ensure that it receives a guarantee whose value corresponds to at least 90% of the total market value (including interest, dividends and any other claims) of the lent security throughout the entire duration of the lending transaction.
- cc) In its annual reports, the fund must disclose the total market value of the lent securities on the reference date of the relevant reports.

c) Security sale and repurchase agreements

The fund may also enter into security sale and repurchase agreements that consist of the purchase and sale of securities with a clause reserving the right for the seller or obliging him to repurchase the securities from the purchaser

at a price and time agreed between the two parties in their contractual agreements. These transactions may also be carried out in the following form:

- aa) Acting as buyer, the fund may enter into transactions with a repurchase option that consist of a purchase of securities, in which the contractual regulations grant the seller (counterparty) the right to repurchase the sold securities from the fund at a price and time agreed between the two parties at the time the agreement is concluded.

Its participation in the relevant transactions is subject to the regulations under cc) below:

- bb) Acting as seller, the fund may enter into transactions with a repurchase option that consist of the sale of securities with contractual conditions reserving the right for the fund to repurchase the sold securities from the buyer (counterparty) at a price and time agreed between the two parties at the time the agreement is concluded.

However, its participation in the relevant transactions is subject to the regulations under cc) below.

- cc) The fund may only participate in sale and repurchase agreements as the buyer or seller or in transactions with a repurchase option if the counterparties of these transactions are subject to statutory supervisory regulations equivalent to those of EU conditions in the opinion of CSSF.

Throughout the duration of the sale and repurchase agreement, the fund may not sell or pledge/offer the security that is the subject of this agreement as collateral, unless the fund has other means of coverage.

Throughout the duration of the purchase agreement with a repurchase option, the fund may not sell the security that is the subject of this agreement before the security repurchase right is exercised by the counterparty or the period for such repurchase has expired, unless the fund has other means of coverage.

When the repurchase period expires or the reverse repurchase agreement ends, the fund must have the necessary assets to be able to pay the agreed price for returning the security to the fund (where necessary).

The fund must ensure that it keeps the volume of sale and repurchase agreements at a level that enables it to comply with redemption orders from unit-holders / shareholders at all times.

The securities that form the object of sale and repurchase agreements or security purchases with a repurchase option may only comprise the following types:

- (i) Short-term bank deposits or money market instruments as defined in Directive 2007/16/EC implementing Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions,
- (ii) Debentures issued or guaranteed by a Member State of the OECD or its public regional authorities or by supranational institutions and undertakings with EU, regional or global scope,

- (iii) Shares or units issued by money market UCI that calculate net inventory value on a daily basis and are assigned an AAA rating or equivalent,
- (iv) Debentures issued by non-governmental issuers that offer adequate liquidity,
- (v) Shares listed on a stock exchange or traded on a regulated market of a Member State of the European Union or on a securities exchange of a Member State of the OECD, as long as these shares are included in a main index.

The securities that are the subject of the sale and repurchase agreement or securities purchase with a repurchase option must comply with the fund's investment policy and, together with the other securities in the fund portfolio, must comply with the investment restrictions of the fund.

In its annual reports, the fund must provide separate information about sale and repurchase agreements, as well as repurchase transactions and sales transactions with a repurchase option, indicating the total sum of open transactions on the reference date for the relevant reports.

d) Counterparty risk and provision of guarantee

1) Counterparty risk

The counterparty risk for the fund relating to one and the same counterparty in the case of one or more securities lending transactions, transactions with a repurchase option and/or sale and repurchase agreements must not exceed 10% of its asset values if the counterparty is a financial institution in the sense of Article 41, Paragraph (1) f of the Law of 20 December 2002, or 5% of its assets in other cases. The fund must receive a guarantee in compliance with the requirements of Section 2) below, in order to cover the counterparty risk for transactions with a repurchase option and/or sale and repurchase agreements.

2) Receipt of an appropriate guarantee

The fund must re-value the received guarantee on a daily basis.

The agreement between the fund and the counterparty must include conditions that request the provision of additional guarantees by the counterparty within an extremely short period of time if the value of the guarantee already provided should prove to be insufficient in comparison with the amount to be covered. Furthermore, this agreement must provide for safety margins, where appropriate, to accommodate currency or market risks associated with the assets accepted as a guarantee.

The guarantee is usually in the form of:

- (i) Liquid assets, where liquid assets include not only cash and short-term bank deposits, but also money market instruments as defined in Directive 2007/16/EC implementing Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards the clarification of certain definitions. A letter of credit or guarantee payable at first demand issued by a first-class credit institution not associated with the counterparty may be considered equivalent to liquid assets.
- (ii) Debentures issued or guaranteed by a Member State of the OECD or its

public regional authorities, or by supranational institutions and undertakings with EU, regional or global scope,

- (iii) Shares or units issued by money market UCI that calculate net inventory value on a daily basis and are assigned an AAA rating or equivalent,
- (iv) Shares or units issued by UCITS that invest mainly in the debentures / shares listed under (v) and (vi) below,
- (v) Debentures issued or guaranteed by first-class issuers that offer adequate liquidity, or
- (vi) Shares listed on a stock exchange or traded on a regulated market of a Member State of the European Union or on a securities exchange of a Member State of the OECD, as long as these shares are included in a main index.

The guarantee given in any form apart from cash or in shares/units of a UCI/UCITS must be issued by a company that is not associated with the counterparty.

Given in the form of cash, the guarantee may expose the fund to a credit risk relating to the trustee of this guarantee. If such a risk exists, the fund must accommodate this risk in relation to the deposit restrictions in the sense of Article 42 (1) of the Law of 20 December 2002 on undertakings for collective investment. In principle, this guarantee must not be held by the counterparty, unless it is legally protected against the consequences of default of the counterparty. Given in any form apart from cash, the guarantee must not be held by the counterparty, unless it is adequately separated from the assets of the counterparty. The fund must ensure that it can assert its rights to the guarantee if an event occurs that requires the execution thereof. This means that the guarantee must be available at all times, either directly or through a first-class financial institution or a 100% subsidiary, in such a way that the fund can appropriate or sell the assets given as a guarantee without delay if the counterparty does not fulfil its obligation to return the securities.

Furthermore, the fund must ensure that its contractual rights relating to the relevant transactions allow it to be discharged in cases of liquidation, reorganisation measures or any other competitive situation from its obligation to return the assets or credits received as a guarantee, if and to the extent that the return cannot be performed under the initially agreed terms. Throughout the agreement term, the guarantee may not be sold or pledged / offered as collateral, unless the fund has other means of coverage.

If the guarantee was provided in the form of cash, the fund may reinvest this cash in:

- a. Shares or units in money market UCI that calculate net inventory value on a daily basis and are assigned an AAA rating or equivalent,
- b. Short-term bank credits,
- c. Money market instruments in the sense of Directive 2007/16/EC,
- d. Short-term debentures issued or guaranteed by a Member State of the European Union, Switzerland, Canada, Japan or the United States or their public regional authorities, and by supranational institutions and undertakings with

EU, regional or global scope,

- e. Debentures issued or guaranteed by first-class issuers that offer adequate liquidity, and
- f. Reverse repurchase agreement transactions in accordance with the provisions of Section I (C) a) of CSSF Circular 08/356.

Financial assets other than bank credits and shares or units of UCITS acquired by means of reinvestment of cash received as a guarantee must be issued by a company that is not associated with the counterparty. Financial assets that are not bank deposits must not be held by the counterparty, unless they are suitably separated from the assets of the counterparty. In principle, bank credits must not be held by the counterparty, unless they are legally protected from the default of the latter.

Financial assets may not be pledged / given as collateral, unless the fund has sufficient liquid assets to enable it to return the guarantee in the form of cash.

Short-term bank credits, money market instruments and debentures in the sense of (b) to (d) above must be eligible investments in accordance with Article 41 (1) of the Law of 20 December 2002.

Reinvestment of cash received as a guarantee is not subject to the diversification regulations generally applicable to funds, although the fund must ensure that it avoids excessive concentration of this reinvestment, both at issuer level and instrument level. Reinvestments in assets as listed in a) and d) above are exempt from this requirement.

If the short-term bank deposits mentioned in b) expose the fund to a credit risk in relation to the trustee, the fund must accommodate this risk in relation to the deposit restrictions in the sense of Article 43 (1) of the Law of 20 December 2002 on undertakings for collective investment.

The reinvestment must be taken into consideration when calculating the overall risk for the fund, particularly if it creates a leverage effect. Any reinvestment of a guarantee provided in the form of cash in financial assets that provide a yield in excess of the risk-free interest rate is subject to this requirement. Reinvestments must be mentioned specifically in the appendix to the fund's annual reports, indicating their respective values.

6. Risk management procedure

Within the fund framework, a risk management procedure is implemented to allow the management company to monitor and measure the risk associated with the fund investment items and the percentage that these item risks make up in relation to the overall investment portfolio risk profile.

In relation to derivatives in this context, the procedure in use allows for precise, independent assessment of the risk associated with a derivative. For each fund, the management company will ensure that the overall risk associated with derivatives does not exceed the total net value of the relevant fund portfolio.

A derivative embedded in a security or money market instrument must be considered in terms of compliance with the regulations of Section 6 here.

Article 5 Fund units and unit classes

1. Fund units are basically chartered by global certificate. The management company can decide whether to issue bearer or registered shares for a fund and/or to charter the fund units as share certificates with corresponding dividend coupons. Where necessary, this will be mentioned in the sales prospectus and/or the special regulations.
2. All fund units basically have the same rights.

However, the special regulations for a fund may propose two or more unit classes for the corresponding fund. If a fund has two or more unit classes, the unit classes within a fund may differ in the following ways:

- a. Cost structure relating to the relevant issue fee, redemption fee or sales commission;
- b. Cost structure relating to the management company fee;
- c. Regulations about distribution and minimum subscription amounts or minimum deposit;
- d. Dividend policy;
- e. Currency;
- f. Any combination of the above criteria;
- g. Any other criteria that are defined by the management company.

All units offer the same entitlement to the yields, price gains and liquidation proceeds of their unit class as of the day of their issue.

3. Unit issue and redemption and the execution of payments for units or dividend coupons can be carried out by the management company, the custodian bank and any paying agent.

Article 6 Issue of units

1. Units are issued at the issue price plus any applicable issue fee. The maximum fee is to be calculated in accordance with the special regulations for the relevant fund.
2. The management company may reject a subscription application for a fund at any time at its own discretion or temporarily restrict, postpone or finally cancel the issue of shares, where this seems necessary in order to protect the interests of all unit-holders, the management company, the relevant fund, the interests of the investment policy or if the specific investment objectives of a fund are at risk.
3. Subscription applications received by 6 pm (Luxembourg time) on a Luxembourg bank working day by the management company, paying agent or distributor will be settled on the

basis of the unit value on the next valuation day. Subscription applications received after 6 pm (Luxembourg time) will be settled on the basis of the unit value on the valuation day after next.

4. The management company has taken all necessary organisational measures to prevent any practice of market timing and late trading, and reserves the right to reject subscription applications from an investor that the fund suspects of using such practices. The fund management company reserves the right to take measures to protect the other fund unit-holders if necessary.
5. The units will be assigned by the custodian bank on behalf of the management company as soon as the custodian bank receives payment of the issue price.
6. The custodian bank shall pay back any incoming payments made for non-executed subscription orders.
7. The management company may offer savings plans for any fund. If savings plans are offered, this will be mentioned in the special regulations for the relevant fund.

Article 7 Unit value calculation

1. The value of a unit ("unit value") is calculated in the currency defined in the special regulations for the relevant fund ("fund currency"). This calculation can be carried out under the supervision of the custodian bank by the management company or a third party appointed by the management company on any day defined in the special regulations ("valuation date"). Unless otherwise specified in the special regulations, the valuation date can be any bank working day in Luxembourg, with the exception of 24 and 31 December of any given year.

The fund unit value is calculated by dividing the relevant net fund assets by the number of units of this fund that are currently in circulation on the valuation date. Fractional units are included in the unit value calculation to three decimal points.

2. The asset values that make up the relevant fund assets are valued in accordance with the following principles:
 - a) The open-ended target fund units within a fund are valued at the most recently established and available redemption price.
 - b) The value of cash assets or bank credits, deposit certificates and outstanding receivables, prepaid expenses, cash dividends and declared or matured and as-yet-unreceived interest corresponds to the relevant full amount, unless it is unlikely that these can be paid or received in full, in which case the value is calculated with the inclusion of an appropriate deduction in order to ascertain the actual value.
 - c) The value of assets listed or traded on a stock exchange is based on the most recent price on the stock exchange that is normally the main market for this security. If a security or other asset value is listed on several stock exchanges, the decisive value is the most recent sale price on any stock exchange or regulated market that is the main market for this asset value.

- d) The value of assets traded on another regulated market (in accordance with the definition in Article 4 of these management regulations) is based on the most recent price.
- e) If an asset value is not listed or traded on a stock exchange or other regulated market or if the prices for asset values listed or traded on a stock exchange or other market as stated above - calculated in accordance with the regulations of (b) or (c) - do not appropriately reflect the actual market value of the corresponding asset values, the value of such assets will be based on a cautious estimate of the sales prices that could reasonably be expected for those assets or, in the case of a fund, the sales price that could reasonably be achieved upon redemption (fair value). In this case, the management company shall make use of appropriate valuation models and principles recognised as standard in the sector.
- f) The liquidation value of futures, forwards or options not traded on stock exchanges or other organised markets corresponds to the relevant net liquidation value as defined in the management board regulations on a consistent basis applicable to all different types of agreements. The liquidation value of futures, forwards or options that are traded on stock exchanges or other organised markets is based on the most recent trading prices for such agreements on the stock exchanges or organised markets on which these futures, forward or options are traded; if a future, forward or option cannot be liquidated on a day for which the net asset value is set, the valuation basis for such an agreement will be determined appropriately and reasonably by the management board. Swaps will be valued at their set market rate, with all due consideration of applicable interest performance.
- g) The value of money market instruments not listed on a stock exchange or traded on another regulated market, and that have a residual term of less than 397 days and more than 90 days, corresponds to the relevant nominal value plus any accrued interest. Money market instruments with a residual term of a maximum of 90 days are valued on the basis of amortisation costs, matching the approximate market value.
- h) Interest swaps are valued at their set market value, with all due consideration of applicable interest performance.
- i) All other securities or assets are valued at their appropriate market value, where this can be determined in all good faith in accordance with the procedure laid down by the management company.

The value of all assets and liabilities not expressed in the fund currency will be converted into this currency at the most recent exchange rates available from a major bank. If such rates are not available, the exchange rate will be determined in all good faith in accordance with the procedure laid down by the management board.

The management company may use other valuation methods at its own discretion, if it feels these are expedient in the interests of appropriate valuation of fund assets.

The management company can decide when there have been sufficiently major movements on the relevant stock exchanges and/or markets since the calculation of the unit value to necessitate further unit value calculations on the same day. Under these circumstances, all applications received for this valuation date for subscriptions and redemptions will be calculated at the initially established net inventory value for this day. Subscription and redemption

applications received after 6 pm on the previous Luxembourg bank working day can be valued at the second net inventory value established on this day, applications received after the establishment of the second net inventory value can be valued at the third net inventory value established on this day etc.

3. If there are two or more unit classes for a fund in accordance with Article 5, Paragraph 2 of the management regulations, the following special conditions apply for unit value calculation:
 - a) Unit value calculation shall be carried out separately for each unit class in accordance with the criteria listed under Paragraph 1 of this Article.
 - b) Cash inflow from the issue of units increases the percentage value of the relevant unit class in proportion to the overall value of the net fund assets. Cash outflow from the redemption of units reduces the percentage value of the relevant unit class in proportion to the overall value of the net fund assets.
4. Income adjustment may be carried out for a fund. If a fund has two or more unit classes and income adjustment is to be carried out, the adjustment must be carried out separately for each unit class.
5. In the case of extensive redemption applications that cannot be satisfied from the cash assets and permissible credit uptake of the relevant fund, the management company can establish the unit value on the basis of the rates on the valuation date on which it carries out the necessary securities sales for the fund; this also applies to subscription applications submitted for the fund at the same time.

Article 8 Suspension of calculation of the unit value

The management company is entitled to temporarily suspend the calculation of the unit value for a fund if and as long as there are circumstances that make this suspension necessary and if the suspension is justified with all due consideration of the interests of the unit-holders, particularly:

1. During the periods of closure of a stock exchange or other market on which the majority of the assets of the relevant fund are officially listed or traded (except for usual weekends or public holidays), or when trading on this stock exchange or corresponding market is suspended or restricted;
2. In emergency situations, if the management company cannot access the fund assets or is unable to freely transfer the counter-value of the asset purchases or sales or carry out proper calculation of the unit value.

The management company shall publish details of the suspension and resumption of unit value calculation immediately in at least one daily newspaper in the countries in which units of the relevant fund are licensed for public distribution. It shall also notify all unit-holders who have offered units for redemption.

Article 9 Redemption of units

1. The unit-holders of a fund are entitled to request the redemption of their units at any time at the redemption price specified in the special regulations for the relevant fund and under the conditions listed therein. This redemption may only be carried out on one valuation date. Payment of the redemption price shall be carried out immediately after the corresponding valuation date on receipt of the units.

2. Redemption applications received by 6 pm (Luxembourg time) at the latest on a Luxembourg bank working day by the management company, the paying agents or the distributors will be settled at the unit value on the next valuation day. Redemption applications received after 6 pm (Luxembourg time) will be settled at the unit value on the valuation day after next.
3. The management company has taken all necessary organisational measures to prevent any practice of market timing and late trading, and reserves the right to reject redemption applications from an investor that the fund knows of using such practices. The fund management company reserves the right to take measures to protect the other fund unit-holders if necessary.
4. With the prior consent of the custodian bank, the management company is entitled to only carry out extensive redemptions that cannot be satisfied from the cash assets and permissible credit uptake of the relevant fund once corresponding assets from the relevant fund have been sold without delay.
5. The custodian bank is only obliged to make a payment if there are no statutory conditions, e.g. foreign exchange regulations, or other circumstances that the custodian bank cannot influence that forbid the transfer of the redemption price to the applicant's country.
6. The management company may buy back units unilaterally for any fund in return for payment of the redemption price, as long as this appears to be necessary in the interests of the unit-holders or to protect the management company or the relevant fund.
7. Fund units may be returned via the management company, the distributors or any paying agent.
8. The management company may offer withdrawal plans for any fund. If withdrawal plans are offered, this will be mentioned in the special regulations for the relevant fund.

Article 10 Fiscal year and audited accounts

1. The fiscal year for a fund is defined in the relevant special regulations.
2. The fund's annual accounts will be inspected by an auditor appointed by the management company.

Article 11 Dividends

1. Irrespective of any different regulations in the relevant special regulations, the management company shall determine whether and to what extent dividends will be paid out. The management company is authorised to carry out interim dividend payments.
2. The ordinary net yields and realised price profits can be used for the dividends. Non-realised market profits and other assets can also be used for the dividends as long as the net fund assets do not fall below the minimum level set in Article 1, Paragraph 1 of the management regulations as a result of the dividend payment.
3. Dividends will be paid out for the units issued on the dividend payment date. If dividends are paid in the form of bonus units, any remaining partial units will be paid in cash. Any profits not claimed within five years of publication of the dividend payment

declaration will mature in favour of the fund. However, it is left to the discretion of the management company as to whether to redeem dividend coupons from the fund assets after the expiry of the five-year period.

4. If there are two or more unit classes in accordance with Article 5, Paragraph 2 of these management regulations, the specific dividend policy for each unit class will be defined in the sales prospectus and/or the special regulations for the corresponding fund.

Article 12 Fund duration and dissolution

1. The duration of a fund is defined in the relevant special regulations.
2. Irrespective of the regulation in Paragraph 1 of this Article, a fund can be dissolved by the management company at any time, as long as there are no contradictory conditions to prevent this in the relevant special regulations. If a fund is dissolved, the management company will basically act as the liquidator.
3. Fund dissolution is mandatory in the following cases:
 - a) If the defined duration in the special regulations for the relevant fund has expired;
 - b) If the custodian bank appointment is terminated, without a new custodian bank being appointed within the statutory or contractual deadlines;
 - c) If the management company goes bankrupt or is dissolved for any other reason;
 - d) If fund assets remain below a quarter of the minimum threshold for more than six months, as indicated in Article 1, Paragraph 1 of these management regulations;
 - e) In other cases covered by the Law of 20 December 2002 or the special regulations of the relevant fund.
4. If circumstances arise that result in the dissolution of a fund, the issue and redemption of units will be suspended. On the instruction of the management company or, where applicable, the liquidators appointed by the management company or the custodian bank, the custodian bank will distribute the liquidation proceeds, minus liquidation costs and fees ("net liquidation proceeds"), among the unit-holders of the relevant fund upon request. Net liquidation proceeds that are not drawn by unit-holders by the end of the liquidation process will be stored with the Caisse de Consignation in Luxembourg by the custodian bank at the end of the liquidation process on behalf of the unit-holders. If this sum is not claimed within the statutory period, any claims shall then lapse.
5. Unit-holders and their heirs, legal successors or creditors may not request the dissolution or division of the fund.

Article 13 Fund merging

By way of a decision by the management board and in accordance with the following conditions, the management company may decide to incorporate or merge the fund into another fund that is managed by the same management company or by another management company or investment company. The decision to carry out a merger may be taken in the following cases:

- If the net fund assets on a valuation date fall below the minimum amount necessary to manage the fund in an economically effective way;

- If it no longer seems economically viable to manage the fund due to a significant change in the economic or political environment or for reasons of economic profitability.

Such a merger may only be executed if the investment policy and/or the incoming investments of the incorporated fund do not go against the investment policy of the incorporating fund. The merger will be executed as the dissolution of the incorporated fund and the simultaneous takeover of all assets by the incorporating fund. The management company's decision to merge the fund will be published in a newspaper chosen by the management company in every country in which units of the relevant fund are distributed. The unit-holders of the incorporated fund are entitled to request the redemption of all or some of their units free of charge within a 30-day period at the relevant inventory value in accordance with Article 9 of the management regulations. Units belonging to unit-holders who have not requested redemption of their units will be replaced by units of the incorporating fund at the inventory value on the day that the merger enters into force. Where necessary, the unit-holders will receive a surplus settlement.

By way of a decision by the management board, the management company may decide to incorporate or merge a fund into a foreign fund or merge a foreign fund with special assets managed by the management company. The decision to merge a fund with a foreign fund is the responsibility of the meeting of the unit-holders of the incorporating fund. An invitation to attend the meeting of the unit-holders of the incorporating fund will be published twice by the management company with a gap of at least 8 days between the two, the latter being 8 days before the meeting, in a newspaper chosen by the management company in every country in which units of the relevant fund are distributed. The decision to merge the fund with a foreign fund is subject to an attendance quorum of 50% of the units in circulation and is made with a 2/3 majority of the attending unit-holders or authorised unit-holder representatives, whereby only the unit-holders who vote in favour of the merger are bound by the decision. Where unit-holders do not take part in the meeting or do not vote in favour of the merger, it is assumed that they have offered their units for buy-back.

Article 14 General costs

1. In addition to the costs listed in the special regulations of the relevant fund, the following may also apply to a fund:
 - Taxes and similar duties accruing at the expense of this fund on the basis of the relevant fund assets, income or expenses;
 - Consultancy costs arising for the management company or custodian bank if they are acting in the interests of the unit-holders of a fund;
 - Costs for executing legal claims, if these are in the interests of the unit-holders of a fund;
 - Costs for the fund auditor;
 - Costs for fund risk management;
 - Costs for issuing unit certificates and dividend coupons;

- Costs for redeeming dividend coupons and costs associated with the dividends where applicable;
- Costs for paying agents and associated distribution activities in the relevant distribution countries;
- Costs for compiling and/or modifying, recording and publishing the management regulations and special regulations, as well as other documents such as the sales prospectuses, semi-annual and annual reports that relate to the corresponding fund, including costs for registration applications or written statement submitted to all registration authorities and stock exchanges (including local securities trading associations) that must be carried out in connection with the fund or the offering of fund units;
- Printing and distribution costs for the semi-annual and annual reports for the unit-holders in all necessary languages, as well as printing and distribution costs for all further reports and documents required in accordance with the applicable laws or directives of the relevant authorities;
- Costs for publications intended for the unit-holders;
- An appropriate proportion of costs for advertising, marketing support, implementation of marketing strategy and other marketing measures, as well as any costs arising in direct relation to the offering and sale of units;
- All costs connected to the purchase and distribution of assets and all costs arising from the uptake of securities lending programmes;
- Costs for any IPOs and/or fund unit registration for public distribution in the various distribution countries;
- Costs for fund credit assessments by nationally and internationally recognised rating agencies;
- Costs for telephones, faxes and the use of other electronic communication resources, as well as external information media (e.g. Reuters, Bloomberg etc.);
- Other fund administration costs, including costs for interest associations;

2. All costs will be offset initially by the current income, then capital profits and lastly the fund assets.

Article 15 Statute of limitations and presentation deadline

1. Unit-holder claims against the management company or the custodian bank will lapse five years after the claim first arises; this does not affect the regulations of Article 12, Paragraph 4 of the management regulations.
2. The presentation deadline for dividend coupons is five years as of the publication of the relevant dividend statement. However, it is left to the discretion of the management company as to whether to redeem dividend coupons from the fund assets after the expiry of the presentation deadline.

Article 16 Amendments

The management company may amend the management regulations partly or wholly at any time with the consent of the custodian bank.

Article 17 Publications

1. The first valid version of the management regulations was recorded in the trade and companies register in Luxembourg. A corresponding record note is published in the Mémorial.
2. Issue and redemption prices are available upon request from the Registered Office of the management company, the custodian bank and all paying agents and distributors.
3. The management company compiles a sales prospectus, a simplified sales prospectus, an annual report of accounts and a semi-annual report for each fund, in accordance with the statutory conditions of the Grand Duchy of Luxembourg.
4. The fund documents listed in Paragraph 3 of this Article are made available to the unit-holders from the Registered Office of the management company, the custodian bank and all paying agents and distributors.
5. In accordance with Article 12 of the management regulations, notice of the dissolution of the fund will be published in accordance with statutory conditions by the management company in the Mémorial and in at least two national daily newspapers, of which one must be a Luxembourg newspaper.

Article 18 Applicable law, place of jurisdiction and contractual language

1. The management regulations are subject to Luxembourg law. In particular, the conditions of the Law of 20 December 2002 on undertakings for collective investment and EU Directive 2007/16/EC apply, in addition to the management regulations. The same applies to the legal relations between the unit-holders, the management company and the custodian bank.
2. Any legal disputes between the unit-holders, the management company and the custodian bank are subject to the jurisdiction of the appropriate court in the Luxembourg district within the Grand Duchy of Luxembourg.

The management company and the custodian bank are entitled to subject themselves and a fund to the jurisdiction and law of another country in which fund units are distributed publicly, insofar as the claims at stake are from investors who are resident in the relevant country and in relation to matters that are connected to the relevant fund.

3. The German-language version of the management regulations is authoritative, unless otherwise stipulated in the special regulations

Article 19 Legal validity

The management regulations and any modifications of the same shall enter into force upon the day of their signature.

Luxembourg, 9 September 2008

Custodian bank

Management company

Special sub-fund Regulations M & W Invest: M & W Capital

The general management regulations recorded in the trade and companies register in Luxembourg with a record note published on 31 October 2008 in Mémorial C are an integral component for the sub-fund **M & W Invest: M & W Capital** (the "sub-fund"). The following special regulations apply as a supplement to or deviation from the general management regulations.

Article 1 – The fund

M & W Invest: M & W Capital (the "fund") consists of one or more sub-funds in the sense of Article 133 of the Law of 20 December 2002 on undertakings for collective investment. Taken as a whole, the sub-funds form the fund. Each investor participates in the fund through their participation in a sub-fund. The management company may create new sub-funds at any time; in this case, the sales prospectus will be modified accordingly.

Each sub-fund is considered to be an independent special asset in terms of the relations between the unit-holders. The rights and obligations of the unit-holders of a sub-fund are separate from those of the unit-holders of other sub-funds. Each sub-fund is only liable for obligations that originated from that sub-fund.

Unit value calculation is carried out separately for each sub-fund in accordance with the rules laid down in Article 7 of the general management regulations.

The investment restrictions defined in the general management regulations and in these special regulations are applicable separately to each sub-fund. The basis for calculating the minimum limit for the net fund assets in accordance with Article 1, No. 1 of the general management regulations and for the investment limits defined in Article 4, No. 6 f) of the general management regulations is the total assets of the fund – adding together the net fund assets of all the sub-funds.

Article 2 – Investment objectives and policy

The main objective of the M & W Invest: M & W Capital ("sub-fund") investment policy is to generate above-average returns while at the same time restricting any fluctuations in the value of the sub-fund assets.

To achieve this objective, the sub-fund will be invested in accordance with the principle of risk diversification by purchasing shares, fixed-income and floating-rate bonds, debentures, convertibles, option bonds whose warrants relate to securities, warrants on securities, participation certificates and index certificates. Depending on the market situation and the unit-holder's interests, the management company may invest up to 100% of the sub-fund assets in shares and bonds or money-market instruments and cash, including demand deposits.

Index certificates are bearer debentures that guarantee a participation in the development of an index and are issued on the capital market. Index certificates do not guarantee any claim to the underlying shares – only the right to payment of a monetary sum that depends on the score reached by the relevant index.

The assets purchased by the sub-fund are mainly issued or guaranteed by first-class international issuers in the currencies of the Member States of the Organisation for Economic Cooperation and Development ("OECD"), including the EURO. A limited number of the sub-fund investments may be in securities issued by issuers from emerging markets.

In terms of ordinary management of the sub-fund assets and to cover currency risks, the sub-fund may use techniques and instruments that are based on securities or used to cover currency and interest risks, within the terms of statutory conditions and restrictions. Warrants on currencies, interest and indices can be purchased for the sub-fund in this context. However, the use of techniques and instruments for purposes other than securitisation is only allowed on a supplementary basis in the interests of increasing value development, without affecting the basic character of the investment policy through the use of such techniques and instruments.

For more details about investment limits, see Article 4 of the general management regulations attached to this sales prospectus.

No more than 10% of the sub-fund assets are invested in open-ended target funds.

Article 3 - Units

Various unit classes may be issued for each sub-fund in accordance with Article 5, No. 2 of the general management regulations. This is mentioned in the sales prospectus.

The units will be chartered in the form of global certificates. It is not intended to deliver physical securities.

All units in the same unit class have the same rights.

Article 4 – Currency, valuation date, issue, redemption and conversion of units

1. The fund reference currency is the euro. The sub-fund currency used to calculate the unit value, issue price and redemption price is also the euro.
2. The valuation date can be any day that is a bank working day in Luxembourg, with the exception of 24 and 31 December each year.
3. According to Article 7 of the general management regulations, the issue price is the unit value on the corresponding valuation date plus an issue fee of 4.0% of that value.
4. The redemption price is the unit value, according to Article 9 in conjunction with Article 7 of the general management regulations.
5. Unless otherwise specified in the sales prospectus, the unit-holders are entitled to convert the units they hold in a sub-fund or unit class into units in another sub-fund and/or unit class. This conversion is carried out on the basis of the unit value of the relevant sub-funds or unit classes in accordance with Article 7 of the general management regulations. No conversion fee is currently charged.

6. The issue and redemption prices are payable within two bank working days in Luxembourg of the corresponding valuation date.

If the payment and a written subscription application are not received by this date, the application can be rejected and any issue of units based on this application may be annulled. If a payment relating to a subscription application is received after expiry of the aforementioned period, the management company or the registrar and transfer agent may process the application itself or via a third party on the proviso that the number of units for which subscription is possible with the received amount (including the applicable issue fee) is based on the number calculated using the next applicable net inventory value after receipt of the payment.

7. Savings and/or withdrawal plans may be offered for the sub-fund. If the unit issue is carried out within the framework of the savings plans offered by the relevant sub-fund, a maximum of one third of the payments agreed for the first year will be used to cover costs and the remaining costs will be distributed evenly over all subsequent payments.

Article 5 – Dividend policy

Sub-fund profits are to be retained.

Article 6 – Custodian bank

The custodian bank is LBBW Luxembourg S.A. Transactions within the sub-fund portfolio are handled by the custodian bank, which acts in the interests of the unit-holders.

Article 7 – Registrar and transfer agent

The registrar and transfer agent is LBBW Luxembourg S.A. The main function of the registrar and transfer agent is to execute orders for unit subscription, redemption, conversion and transfer, as well as to run the unit register.

Article 8 - Costs

1. The management company is entitled to receive a fee of 0.075% p.a. of the net sub-fund assets, or at least EUR 40,000 p.a., calculated quarterly in arrears on the average net sub-fund assets during the relevant quarter and to be paid quarterly.
2. The custodian bank shall receive a fee of up to 0.10% p.a. from the sub-fund assets, or at least EUR 30,000 p.a., calculated quarterly in arrears on the average net sub-fund assets during the relevant quarter and to be paid quarterly.
3. The investment advisor shall receive a fee of 1.4250% p.a. from the net sub-fund assets, calculated quarterly in arrears on the average net sub-fund assets during the relevant quarter and to be paid quarterly.

In addition to the aforementioned investment advice fee, the investment advisor shall receive a performance fee in the amount of 10% of the annual net value increase achieved for the sub-fund assets. The performance fee is calculated quarterly and is to be paid the month after the quarter ends. If net value reductions are recorded for the financial year, these are to be carried forward to the following financial year for the calculation of the performance fee and no performance fee will then be paid if the asset value is below the level at which a performance fee was last paid.

Article 9 - Total expense ratio

The **total expense ratio** is calculated for the sub-fund and published in the relevant statement of accounts at the end of the financial year on the basis of the historic values of the past financial year, with the exception of any transaction costs incurred.

Article 10 - Portfolio turnover rate

The **portfolio turnover rate** is calculated in accordance with the following method.

Total value of securities purchases in reporting period = X

Total value of securities sales in reporting period = Y

Total 1 = total value of securities transactions = X + Y

Total value of subscriptions in reporting period = Z

Total value of redemptions in reporting period = R

Total 2 = total value of share certificate transactions = Z + R

Monthly average net fund assets = M

Portfolio Turnover Rate = [(Total 1-Total 2)/M]*100

The portfolio turnover rate quantifies the extent of transactions carried out at sub-fund portfolio level.

A portfolio turnover rate of almost zero indicates that transactions have been carried out in order to invest or remove cash inflow or outflow from subscriptions or redemptions. A negative portfolio turnover rate indicates that the total value of subscriptions and redemptions was higher than the value of securities transactions in the fund portfolio. A positive portfolio turnover rate indicates that the value of securities transactions was higher than the value of share certificate transactions.

The portfolio turnover rate is calculated annually and published in the relevant statement of accounts.

Article 11 – Fiscal year

The fiscal year ends on 31 March each year.

Article 12 – Duration of the sub-fund

The sub-fund is established for an unlimited term.

Article 13 – Dissolution and merging of the sub-fund

The management company may dissolve the sub-fund or merge it with other sub-funds at any time, if the net fund assets of a sub-fund fall under the sum that the management company deems to be the necessary minimum in order to ensure efficient management of this sub-fund (set at EUR 1 million) or if there are changes in the economic and/or political framework conditions. Notification of the intended dissolution or merging of the sub-fund is to be published at least 30 days in advance, in accordance with Article 17, No. 5 of the general management regulations. If the sub-fund is merged, the unit-holders of the sub-fund being merged are entitled to redeem all or some of their units free of charge at the appropriate unit value within the aforementioned 30-day period, in accordance with the procedure described in Article 9 of the general management regulations.

After dissolution of the sub-fund, the management company will liquidise this sub-fund. The asset values assigned to this sub-fund will be sold and the obligations assigned to this sub-fund will be repaid. The liquidation proceeds will be paid to the unit-holders in proportion to their unit ownership. Once the sub-fund is liquidated, unclaimed liquidation proceeds will be deposited with the custodian bank for six months; thereafter the regulations of Article 12, No. 4, Clause 3 of the general management regulations apply accordingly for all remaining unclaimed sums.

Article 14 – Legal validity

The special regulations enter into force as of 1 July 2009.

Luxembourg, 15 June 2009

Custodian bank

Management company