

**SALES PROSPECTUS  
INCLUDING  
MANAGEMENT REGULATIONS**

***MEDICAL***

An investment fund in separate asset form  
(*Fonds commun de placement à compartiments multiples*)  
in accordance with Part I of the amended Luxembourg Law of 17 December 2010  
on Undertakings for Collective Investment

This Sales Prospectus is only valid in conjunction with the most recent annual report of the fund, once this most recent annual report has been prepared, and additionally, if more than eight months have passed since the reporting date of this annual report, in conjunction with a more up-to-date semi-annual report.

The Sales Prospectus with the Management Regulations, as amended, and the annual and semi-annual reports can be obtained free of charge from the management company and all paying agents.

No one has the authority to invoke any information that is neither contained in the Sales Prospectus nor in any other documents relating to the Sales Prospectus that are accessible to the public.



**HAUCK & AUFHÄUSER**  
Fund Services

Issued: 1 July 2021

## **Notes for investors in relation to the United States of America**

Units will not be sold in the United States of America (USA) or to US residents/citizens. The following natural persons shall, for instance, be considered US citizens:

- a) persons born in the USA or one of its territories or sovereign territories;
- b) naturalised citizens (or Green Card holders);
- c) persons born in another country as the natural child of a US national;
- d) persons who reside predominantly in the USA but are not US nationals;
- e) persons who are married to a US national; or
- f) persons who are liable for tax in the USA.

In addition, the following persons shall be considered US citizens:

- (a) companies and corporations incorporated under the laws of any of the 50 states of the United States or the District of Columbia;
- b) e company or partnership established in accordance with an "Act of Congress";
- c) a pension fund established as a US trust fund; or
- d) companies that are liable for tax in the USA.

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## **MANAGEMENT**

### **MANAGEMENT COMPANY**

**Hauck & Aufhäuser Fund Services S.A.**

**R.C.S. Luxembourg No. B28878**

1c, rue Gabriel Lippmann

L-5365 Munsbach

Equity as of 16 March 2020: EUR 11,039,000

Other funds managed by the management company:

An overview of the investment funds managed by Hauck & Aufhäuser Fund Services S.A. can be obtained from the registered office of the company. Interested parties can also access this information via the website [www.hauck-aufhaeuser.com/fonds](http://www.hauck-aufhaeuser.com/fonds).

### **Management Board of the Management Company:**

**Achim Welschoff**

**Christoph Kraiker**

**Wendelin Schmitt**

### **Supervisory Board of the Management Company:**

#### **Chairman:**

**Dr Holger Sepp**

Member of the Board

Hauck & Aufhäuser Privatbankiers AG, Frankfurt am Main

#### **Members:**

**Andreas Neugebauer**

Independent Director

**Marie-Anne van den Berg**

Independent Director

Current information relating to the management company's equity capital and the composition of its executive bodies is contained in the most recent annual and semi-annual reports.

## **DEPOSITARY**

**Hauck & Aufhäuser Privatbankiers AG, Luxembourg branch**

1c, rue Gabriel Lippmann

L-5365 Munsbach, Luxembourg

## **REGISTRAR AND TRANSFER AGENT**

**Hauck & Aufhäuser Fund Services S.A.**

1c, rue Gabriel Lippmann

L-5365 Munsbach, Luxembourg

## **PAYING AGENT**

**Hauck & Aufhäuser Privatbankiers AG, Luxembourg branch**

1c, rue Gabriel Lippmann

L-5365 Munsbach, Luxembourg

**FUND MANAGER**

**Medical Strategy GmbH**

Bahnhofstraße 7,  
D-82166 Gräfelfing

Other office: Daimlerstr. 15, D-86356 Neusäß  
[www.medicalstrategy.de](http://www.medicalstrategy.de)

Commercial register no. B 169574, Munich

**SCIENTIFIC ADVISORY BOARD**

Prof. Dr. med. Peter Hohenberger

Prof. Dr. med. Thomas Zeller

Prof. Dr. Manfred Weber

**AUDITOR**

**KPMG Luxembourg, Société coopérative**

39, Avenue John F.

L-1855 Luxembourg

## THE FUND

The investment fund described in this Sales Prospectus was launched on the initiative of Medical Strategy GmbH and is a separate fund of securities and other assets, set up in the form of an umbrella fund (fonds commun de placement à compartiments multiples) according to Luxembourg law. It was incorporated according to part I of the Luxembourg law of 17 December 2010 on Undertakings for Collective Investment in its currently valid version (the "Law of 2010") and fulfils the Directive of the Council of the European Communities 2009/65/EC of 13 July 2009, as last amended by the Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 ("Directive 2009/65/EC").

The Management Regulations set out hereinafter, which entered into force on 1 January 2021, form an integral part of **MEDICAL** (hereinafter "Fund"), and the filing of these Management Regulations with the Commercial and Companies Register of Luxembourg ("Commercial and Companies Register") has been published in Recueil électronique des Sociétés et Associations ("RESA").

## MANAGEMENT OF THE FUND

The fund is managed by Hauck & Aufhäuser Fund Services S.A.

The management company was incorporated for an unlimited period in the form of a joint-stock company under Luxembourg law on 27 September 1988. It is based in Luxembourg. In 1988, the management company's articles of association were published in the Luxembourg Official Gazette (Mémorial C, Recueil des Sociétés et Associations) and filed with the Commercial and Companies Register. Any changes made in the interim have been published in the Luxembourg official gazette (Mémorial C, Recueil des Sociétés et Associations) and/or RESA.

The management company's objective is to launch and manage undertakings for collective investment ("UCIs") under Luxembourg law, and to carry out all activities associated with the launch and management of such UCIs. Moreover, the management company performs activities as defined in the Luxembourg law of 12th July 2013 on alternative investment fund managers ("AIFM Law"). In particular, these include the activities described in Annex I, clause 1. of the aforementioned Law, as well as the partial activities specified under additional administrative functions in Annex I, clause 2. a).

The management company's responsibilities include any general administrative tasks that arise in the course of Fund management and that are required by Luxembourg law. These include, in particular, the calculation of the net asset value of units and maintaining the fund's accounts.

The management company has delegated, under its responsibility and control and at its own expense, the calculation of the net asset value, maintain the fund's accounts and reporting to Hauck & Aufhäuser Privatbankiers AG, Luxembourg branch, with its registered office at 1c, rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg.

The IT administration of the Hauck & Aufhäuser Group is distributed across the locations of Luxembourg and Germany.

The management company has appointed Medical Strategy GmbH, a limited liability company (Gesellschaft mit beschränkter Haftung) under German law, as fund manager. Medical Strategy GmbH is a financial services institute supervised by the Federal Financial Supervisory Authority (BaFin).

The fund manager is licensed to manage assets and is subject to relevant supervision. In particular, the fund manager is responsible for the autonomous daily implementation of the investment policy for the Sub-Fund's assets and the management of day-to-day asset management operations under the supervision, responsibility and control of the management company, as well as other associated services. These tasks are fulfilled in accordance with the principles of the investment policy and the investment restrictions of the respective Fund/Sub-Fund as described in this prospectus and in the Management Regulations, as well as in compliance with the statutory investment restrictions. The fund manager is authorised to select intermediaries and brokers to carry out transactions involving the Fund's assets. The fund managers are responsible for making investment decisions and placing orders. The fund manager is entitled to consult third parties at his own expense and responsibility; this applies in particular to different investment advisors. The fund manager is permitted to delegate his tasks in whole or in part to third parties with the approval of the management company and shall cover all remuneration of such third parties. In the event of a comprehensive delegation of tasks, the Sales Prospectus shall be amended in advance.

The fund manager bears all expenses it incurs in connection with the services it provides. Broker commissions, transaction fees and other business costs incurred in connection with the acquisition and sale of assets are borne by the fund.

In connection with the management of the fund's assets, the management company may, under its own responsibility and control, consult other investment consultants or fund managers.

The role of these investment consultants is merely advisory, and they do not make any independent investment decisions. They are authorised, under the general control and responsibility of the management company, to provide the fund with estimates, advice and buy or sell recommendations with respect to investments and securities as part of the day-to-day implementation of the fund's investment policy. The management company shall ensure the day-to-day management of the fund's assets; all investment decisions will be taken accordingly by the management company.

In addition, the management company has the option of using a scientific advisory board when selecting assets to be purchased or sold. This board provides information on developments in the scientific field relevant to investments and particularly advises on scientific issues with respect to the field of activity and the scientific field of companies that are being considered for the Fund's portfolio.

Only the depositary and the paying agents are authorised to accept client funds.

## **DEPOSITARY**

Hauck & Aufhäuser Privatbankiers AG, Luxembourg branch, based in 1c, rue Gabriel Lippmann, L-5365 Munsbach, the Grand Duchy of Luxembourg, registered in the commercial and companies register of Luxembourg under the number B 175937, has been appointed as depositary of the Fund in a written agreement. The depositary is a branch of Hauck & Aufhäuser Privatbankiers AG, Kaiserstr. 24, 60311 Frankfurt am Main, Germany, a fully licensed German credit institution as defined in the German Banking Act (KWG) and as defined in the Luxembourg Law of 5 April 1993 on the financial sector (in its current version). It is registered in the Commercial Register of Frankfurt am Main Local Court under HRB 108617. Both Hauck & Aufhäuser Privatbankiers AG and its Luxembourg branch are supervised by the German Federal Financial Supervisory Authority (BaFin). Additionally, the Luxembourg branch of Hauck & Aufhäuser Privatbankiers AG is subject to the Luxembourgian commission for the supervision of the finance sector (CSSF) regarding liquidity, money laundering and market transparency.

All duties and responsibilities of the depositary are performed by the branch. Its role is defined in particular by the law of 2010, the CSSF circular 16/644, the depositary agreement and the sales prospectus. As a paying agent, the depositary has the obligation to pay out any distributions, as well as the redemption price of any redeemed units, and to make other payments.

In accordance with Article 3 of the Management Regulations, the depositary may delegate its safekeeping duties with respect to financial instruments and other assets to another undertaking ("sub-depositary"). A list of sub-depositary (where appointed) is available on the depositary's website (<https://www.hauck-aufhaeuser.com/impressum-2>).

No conflicts of interest were announced to the management company by the depositary in relation to the role of sub-depositary.

In the performance of its duties, the depositary acts independently, honestly, reputably and professionally, in the interest of the Fund and its investors. This obligation is particularly reflected in the duty to perform and organise the depositary activities such that potential conflicts of interest are largely minimised. The depositary performs, in relation to the fund or to the management company acting for the fund, no tasks that could create conflicts of interest between the fund, the investors in the fund, the management company and itself, except where the performance of depositary activities is functionally and hierarchically kept separate from the activities that may potentially conflict with them and the potential conflicts of interest are properly identified, managed and monitored and disclosed to the investors in the fund.

The tasks of the management company and those of the depositary must not be performed by one single enterprise.

Conflicts of interest may arise as a result of corporate links between the management company and the depositary. Where Hauck & Aufhäuser Privatbankiers AG, Luxembourg branch, performs the depositary function, it shall protect the interests of the fund and the unitholders.

Potential conflicts of interest may arise where the depositary delegates individual depositary functions or the sub-custodianship to another outsourcing undertaking. If this further outsourcing company is a company that is affiliated with the management company or the depositary (e.g. parent company), this may result in potential conflicts of interest in the interactions between this outsourcing company and the management company or depositary (e.g. the management company or depositary could give preference to a company affiliated with it over other comparable providers when awarding depositary tasks or selecting the Subcustodian). Should such a conflict of interest or any other conflict of interest be identified in the future in connection with the subcustodianship, the depositary will disclose the particular circumstances and the measures taken to prevent or minimise the conflict of interest in the document that can be accessed via the link given above.

Equally, conflicts of interest may arise if the depositary performs administrative tasks pursuant to the second indent of annex II of the law of 17 December 2010, such as tasks of the registration and transfer agent or fund accounting. To manage these potential conflicts of interest, the particular task area is kept divisionally separate from the depositary role.

The management company and the depositary are able to take appropriate and effective measures (such as procedural instructions or organisational measures) to ensure that potential conflicts of interest are largely minimised. If conflicts of interest cannot be avoided, the management company and the depositary will identify, manage, monitor and disclose

these conflicts to prevent any harm to the investors' interests. Compliance with these measures is monitored by an independent compliance function.

The depositary has disclosed to the management company the above-mentioned information relating to conflicts of interest relating to the subcustodianship. The management company has checked the information for plausibility. The management company is, however, dependent on the depositary to provide information and cannot check correctness and completeness in detail. The list of Subcustodians given above may change at any time. Up-to-date information on the depositary, its sub-custodians and all the depositary's conflicts of interest arising from the delegation of the depositary function is available from the management company or the depositary upon request.

The assets of all sub-funds will be held by the depositary within its depositary network.

**Any bank deposits held with financial institutions other than the depositary may not be protected by a deposit-guarantee scheme.**

## **RISK RATING DEFINED BY THE MANAGEMENT COMPANY**

The management company assigns a relevant risk profile to the funds or sub-funds it manages. Such classification will be in line with the relevant investment policy in connection with the investment objective. In addition, the "GENERAL NOTES ON RISK" stated in the Sales Prospectus apply to the relevant sub-fund.

The risk profiles are expressly not to be understood as an indication of potential income. If necessary, the rating may be adjusted by the management company. This will result in an amendment of the sales documents.

### **Risk profile - "Defensive"**

The fund is particularly suitable for investors who only accept low levels of risk and who are seeking returns in the short term. Based on the investment policy and the investment objectives, the investor is prepared to accept capital losses depending on the extent of the potential value fluctuations. The investor should have a rather short-term investment horizon.

The management company attempts to minimise the risks through the number and the distribution of the separate asset investments.

However, no guarantee can be given that the objectives of the investment policy will be reached.

### **"Moderate" risk profile**

The fund is particularly suitable for investors who accept moderate risks and who are seeking moderate returns in the short to medium term. Based on the investment policy and the investment objectives, the investor is prepared to accept capital losses depending on the extent of the potential value fluctuations. The investor should have a short- to medium-term investment horizon.

The management company attempts to minimise the risks through the number and the distribution of the separate asset investments.

However, no guarantee can be given that the objectives of the investment policy will be reached.

### **"Income-orientated" risk profile**

The fund is particularly suitable for investors who accept increased risks and who are seeking higher potential returns in the medium to long term. Due to the investment policy together with the investment objective, the investor is prepared to accept a very high loss of capital in the short-term in relation to the extent of the value fluctuations of the sub-fund's investments. The investor should have a medium- to long-term investment horizon.

The management company attempts to minimise the risks through the number and the distribution of the separate asset investments.

However, no guarantee can be given that the objectives of the investment policy will be reached.

### **"Adventurous" risk profile**

The fund is particularly suitable for investors who accept high risks and who are seeking high potential returns in the long term. Due to the investment policy together with the investment objective, the investor is prepared to accept a high loss of capital in the short-term in relation to the extent of the value fluctuations of the Sub-Fund's investments. The investor should have a long-term investment horizon.

The management company attempts to minimise the risks through the number and the distribution of the separate asset investments.

However, no guarantee can be given that the objectives of the investment policy will be reached.

### **"Speculative" risk profile**

The fund is particularly suitable for investors who accept very high risks and who are seeking very high potential returns in the long term. Due to the investment policy together with the investment objective, the investor is prepared to accept a



very high loss of capital in the short-term in relation to the extent of the value fluctuations of the Sub-Fund's investments. The investor should have a long-term investment horizon. The management company attempts to minimise the risks through the number and the distribution of the separate asset investments. However, no guarantee can be given that the objectives of the investment policy will be reached.

## **RIGHTS OF UNITHOLDERS**

The management company invests the fund's assets in its own name and for the collective account of the unitholders in securities and other eligible assets, in accordance with the principles of risk diversification. The money invested in a fund and the assets acquired with it constitute the fund's assets, which are kept separate from the management company's own assets.

The unitholders are joint owners of the fund's assets in proportion to the number of units they hold.

For the purposes of relationships between the unitholders, each sub-fund will be treated as a separate fund. The rights and obligations of the unitholders of one sub-fund are separate from those of unitholders of the other sub-funds. With regard to third parties, the assets of a sub-fund are only used to cover liabilities and payment obligations that relate to this sub-fund.

The management company draws the attention of unitholders to the fact that they can only fully exercise their rights directly in relation to the fund if they themselves are registered in their own name in the fund's register of unitholders. Where a unitholder has invested in a fund through an intermediary making the investment in its name but on behalf of the unitholder, it may not be possible for the unitholder to assert all rights against the fund directly. Unit-holders are advised to inform themselves about their rights.

## **INVESTMENT OBJECTIVE AND INVESTMENT POLICY OF THE SUB-FUND MEDICAL BioHealth**

The objective of the investment policy of **MEDICAL BioHealth** is to achieve an increase in the value of the investment funds brought in by the shareholders. In order to achieve this objective, the sub-fund assets will be invested in accordance with the principle of distribution of risk.

The Fund primarily invests in mid-cap and small-cap stocks from the fields of biotechnology, emerging pharmaceuticals and medical technology. The focus of the investment strategy is on innovation leaders with a strong opportunity/risk profile whose potential has not yet been discovered by the market, and some of which is still in the clinical development stage. Particular attention is paid to companies that develop new therapies for diseases that were previously untreatable or insufficiently treatable. As an example, the consistent focus of the Fund on ground-breaking new developments is reflected in its investments in innovative therapeutic approaches that increase the chances of recovering from cancer and prolonging survival, investments that make life-threatening, rare or orphan diseases treatable in childhood, investments that combat life-threatening infectious diseases and in gene therapies and investments that allow diseases caused by genetic defects to be cured. Small and medium-sized biotech companies, in particular, have proven to be the drivers of innovation in drug development for serious diseases and are therefore at the centre of human endeavours for a longer and better life. The Fund is therefore helping to promote the UN sustainability goal of health and well-being, but without making the corresponding contribution mandatory for each individual title.

The Fund's investment style is based on fundamental stock picking with no benchmark orientation. Individual value analysis is based on comprehensive due diligence, where scientific aspects are at the forefront of this. Development risks are consistently tracked and carefully balanced as part of risk management in the portfolio. In addition, individual value risk is minimised through broad diversification. MEDICAL BioHealth's investments are also long-term, as new drug development takes an average of at least 10 years until it is ready for the market.

The Fund gives long-term investors the opportunity to participate in the future potential of dynamic growth segments in the healthcare sector.

The fund manager takes into account any risks associated with sustainability (environmental, social and governance aspects) in the context of investment decisions as well as continuously throughout the investment period for the Sub-Fund's existing investments.

However, no assurances can be given that the stated investment policy objectives will be achieved.

This Sub-Fund is a financial product that is used to promote ecological and social characteristics and qualifies in accordance with Article 8 (1) of Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector.

In addition to and taking into account Article 4 of the Management Regulations, and following the principle of risk diversification, stocks, stock-like securities and participation certificates as well as fixed and variable-interest securities, convertible and option bonds, zero bonds and certificates incorporating financial indices, stocks, interest rates or foreign exchange as the underlying assets, as well as certificates based on other permitted underlying assets (which reflect the performance of an underlying asset on a one-to-one basis, and which are officially listed or traded on stock exchanges and other regulated markets, which are recognised, open to the public and operate regularly “regulated markets”) may be acquired for the Sub-Fund worldwide.

Up to 100% of the net sub-fund’s assets, but always at least two thirds, are invested in shares and bonds of companies that are active in the fields of biotechnology, medical technology, healthcare and pharmacy.

In the context of the investment policy, the sub-fund will invest at least 60% in shares.

Fixed and variable-interest securities, convertible bonds and bonds with warrants, as well as zero bonds, must be denominated in currencies of the OECD member states.

As part of its investment policy, the Sub-Fund will invest at least 50% of the Sub-Fund’s actual net assets in equity investments in accordance with Article 4 (1) (i) of the Management Regulations.

Up to 10% of the net assets of the sub-fund may be invested in bonds in investment funds in accordance with Article 4 of the Management Regulations below. The Sub-Fund is thus eligible as a target fund.

Moreover, the Fund may not invest in any other assets in addition to cash and cash equivalents in accordance with Article 4 of the Management Regulations below.

No securities lending or repurchase transactions will be used under the investment policy. In addition, the Sub-Fund may not acquire any total return swaps or similar assets. If the investment policy changes as regards the aforementioned instruments, the prospectus will be amended accordingly as laid down in Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015.

Pursuant to Article 4 (6) of the Management Regulations, the Sub-Fund may use derivatives, certificates with embedded derivative components (discount, bonus, leverage, knock-out certificates, etc.) and other techniques and instruments for the purpose of hedging and efficient portfolio management. If these techniques and instruments relate to the use of derivatives within the meaning of Article 4 No. 1 (g) of the Management Regulations, the corresponding investment restrictions of Article 4 of the Management Regulations must be taken into account. Furthermore, the provisions of Article 4 No. 7 relating to the risk management procedure for derivatives must be observed.

Taking into account the fund manager’s following strategy to take into account ecological, social and corporate governance characteristics (“ESG”), the Sub-Fund’s net assets are predominantly invested in sustainable assets (including cash). Assets are found to be sustainable if they meet the following criteria (exclusion criteria) and minimum standards as part of the sustainability analysis in the investment process:

- The issuer has no connection with controversial weapons
- The issuer generates less than 5% of its turnover from the manufacture and/or sale of tobacco products;
- The issuer generates less than 10% of its turnover from the manufacture and/or sale of arms;
- The issuer generates less than 30% of its turnover from the manufacture and/or sale of coal;
- The issuer is not linked to any serious violations of the UN Global Compact.

Sustainability filters from Sustainalytics and other rating providers are used to check sustainability, which consider, analyse and evaluate ESG aspects for individual issuers taking into account the exclusion criteria and sustainability criteria (e.g. CO2 risk rating, ESG risk rating).

The fund manager continuously considers the development of exclusion and sustainability criteria for existing investments. Negative changes in investments may, depending on the change, lead to a reduction in the extent of the Sub-Fund’s participation or to a complete divestment of the investment concerned. When doing so, the fund manager will ensure that such decisions are always made while taking into account the best interests of the investors.

The principle of “avoiding significant adverse effects” only applies to investments on which the financial product is based, which take into account the EU criteria for ecologically sustainable economic activities. The investment decisions made for this Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The fund manager does not currently take into account any adverse effects of investment decisions on sustainability factors for this Sub-Fund. The relevant data that must be used to determine and weight the negative sustainability effects is currently not available on the market to a sufficient extent. By 30 December 2022 at the latest, the fund manager will provide information on whether and how the most important negative effects of investment decisions on sustainability factors are taken into account.

Further information on how the ESG and sustainability methodology works, how it is integrated into the investment process, the selection criteria and the ESG and sustainability guidelines can be found on the fund manager's website at [www.medicalstrategy.de](http://www.medicalstrategy.de).

#### **Additional information on potential currency hedging in the "EUR H" and "S" unit classes**

For the "EUR H" and "S" unit classes of MEDICAL BioHealth, which are both denominated in euros, currency hedging can be carried out at a share-class level by Hauck & Aufhäuser Fund Services S.A. ("HAFS"). In this case, the nominal currency of certain (but not necessarily all) assets of the Sub-Fund can be hedged in relation to the currency of the "EUR H" or "S" unit class. Here, the intention is to keep the impact of currency fluctuations for the nominal currency of certain (but not necessarily all) assets of the Sub-Fund as low as possible for the currency of the "EUR H" or "S" unit class. The costs of this hedge may increase the total costs of the "EUR H" or "S" unit class to a particularly high degree.

This hedging can be achieved by means of various strategies (such as forward exchange transactions). Investors wishing to invest in the said unit classes should be aware that a currency hedging process is not able to provide precise or complete hedging of the said exchange rate risk. Particularly severe turbulence on the market or major fluctuations with regard to unit certificates have an impact on currency hedging. Therefore, no guarantee can be given that the hedging by HAFS will be successful in all aspects.

The management company may accept collateral in the form of bank deposits to reduce counterparty risk in connection with OTC transactions. With this in mind, specific currencies are set for each counterparty, which are exchanged. Non-cash collateral will not be accepted.

The collateral can be realised at any time without the involvement of the counterparty or permission from the counterparty. The cash collateral received will be valued without a risk discount.

The level of collateral will be 100%, taking into account the minimum transfer amount.

The cash collateral received from the counterparty in connection with OTC transactions will only be invested in full in one of the following assets, or a combination thereof:

- High-quality government bonds.
- Money market funds with a short-term structure as defined in CESR's Guidelines on a common definition of European money market funds (CESR 10-049).
- Demand deposits with legal entities in accordance with Article 50 (1) (f) of Directive 2009/65/EC.

When investing cash collateral, the issuer or counterparty limits set out in Article 4 (3) of the Management Regulations apply *mutatis mutandis*. Investing in cash collateral may expose the sub-fund i.a. to counterparty default risk, interest rate risk or market risk.

The counterparty to OTC transactions has no influence over portfolio management (i.e. selections shall be made solely according to the decision of the management company).

How certificates work:

In most cases, certificates are listed debt instruments. The price performance of a certificate depends on the performance of the underlying asset and the contractual arrangements. At the same time, the performance of the certificate can be stronger than, weaker than, in line with or completely independent of the performance of the underlying asset. Depending on the structure of the contract, the certificate price may lose all of its value.

To implement the Sub-Fund's investment strategy, it may be necessary for the portfolio turnover rate to be higher. As a result, the sub-fund will incur transaction costs, which may adversely affect the sub-fund's performance.

Detailed information on the investment limits can be found in article 4 of the Management Regulations below.

The Sub-Fund has been established for an unlimited period.

#### **MEDICAL BioHealth RISK PROFILE** **"Speculative" risk profile:**

The fund is particularly suitable for investors who accept very high risks and who are seeking very high potential returns in the long term. Due to the investment policy together with the investment objective, the investor is prepared to accept a very high loss of capital in the short-term in relation to the extent of the value fluctuations of the Sub-Fund's investments. The investor should have a long-term investment horizon.

The management company attempts to minimise the risks through the number and the distribution of the separate asset investments.

However, no assurances can be given that the stated investment policy objectives will be achieved.

## MONITORING OF OVERALL RISK EXPOSURE

### Global exposure:

To monitor market risk, global exposure is measured using a relative value-at-risk approach.

### Benchmark:

The fund will use a single stock index with the profile described below for benchmarking purposes:

- The stock index is broadly diversified in terms of the countries, sectors and the market capitalisation of the shares it contains.
- It includes companies with medium to large market capitalisation from international issuers from 23 developed market countries
- The index only contains stocks that fall into the health care sector according to the GICS
- The index is calculated in US dollars, and the countries included are weighted according to their market capitalisation.

### Leverage:

Leverage is expected to reach up to 200% of the fund's assets as a result of the use of derivatives and other financial products with derivative components. Leverage is subject to fluctuations depending on market conditions, and the leverage expectations may therefore be exceeded in the short term. Leverage is monitored daily by the management company.

### A note on the leverage calculation:

The calculation takes place on the basis of the sum of the nominal values as set out in boxes 24 and 25 of the ESMA Guidelines 10-788.

### Sustainability risks:

Key risk indicators can be used to assess sustainability risks. Risk indicators can be quantitative or qualitative in nature, are based on environmental, social and governance aspects and serve to measure the risk of the aspects under consideration.

## GENERAL RISK INFORMATION

Investments in Fund units involve risks, e.g. stock, interest, credit and liquidity risks. Before investing in units in the Sub-Fund, the investor should therefore read the following risk information carefully, together with the other information in the Sales Prospectus and the Management Regulations, and take this into account when making the investment decision.

When it comes to investing in MEDICAL, it should be noted that, based on our experience, it may be subject to large price fluctuations that present investors with potential opportunities and risks. Due to various risk parameters and influencing factors, this may result in price gains or losses for the investor within the Sub-Fund. In addition, the Sub-Fund's target increases in value are not guaranteed. However, the investor's risk is limited to the invested amount. The below list of risks associated with an investment in Sub-Fund units is not exhaustive. The order in which the risks are listed is not indicative of the probability of occurrence or their significance, should individual risks occur.

Potential risk parameters and influencing factors for the Sub-Fund include:

### Fund investment risks

#### Unit value fluctuation

The unit value is calculated as the value of the Sub-Fund divided by the number of units in circulation. The value of the Sub-Fund corresponds to the total market values of all assets in the fund less the total market values of all liabilities of the Sub-Fund. The unit value, therefore, depends on the value of assets held by the Sub-Fund and the amount of Sub-Fund liabilities. If the value of these assets decreases or if the value of liabilities increases, the unit value will decrease.

#### Influencing personal returns with tax treatment

Tax treatment for capital gains varies depending on the personal situation of each investor and may also change in the future. The investor should contact their personal tax advisor if they have any individual questions, with particular reference to them taking their personal tax situation into account.

#### Changes to the investment strategy or the investment conditions

The management company is entitled to change the management regulations with approval from the CSSF. The management company may also change the investment strategy within the legally and contractually permitted investment spectrum, and thus without any change to the Management Regulations and approval of such change by the CSSF.

#### Suspension of the redemption of units

The management company may temporarily suspend the redemption of units insofar as exceptional circumstances apply that make a suspension appear necessary, taking into account the interests of the unit-holders. Exceptional circumstances in this regard include, for example, economic or political crises, exceptional demand for redemptions under the condition in Article 9 Nr. 2 of the Management Regulations, stock exchanges or markets closing, trade restrictions and other factors that make it difficult to determine the net asset value per unit. Furthermore, the CSSF can order the management company to suspend the redemption of units where this is in the interest of the unit-holders or in the public interest. The unit holders cannot redeem their units during this period. The net asset value per unit can drop even if unit redemption is suspended, for example, if the management company is forced to sell assets below the market value while unit redemption is suspended. After unit redemption has been resumed, the net asset value per unit may be lower than it was before redemption was suspended.

A suspension may be followed directly by the dissolution of the fund without resuming unit redemption, e.g. if the management company terminates the management of the fund in order to dissolve the fund. For the unit-holders, there is, therefore, a risk that they may not be able to realise the holding duration they had planned and that they may not have access to a significant portion of their invested capital for an indefinite period.

#### **Dissolution or merging of the Sub-Fund**

The management company is entitled to dissolve the Sub-Fund at its own discretion at any time. Furthermore, the management company of the Sub-Fund may merge the Fund or Sub-Fund with another Fund or Sub-Fund they manage or which another management company manages. For unit-holders, there is, therefore, a risk that they may be unable to realise the holding duration they had planned. If the fund units are derecognised from the unit-holder's depositary account after the liquidation procedure has come to an end, the unit holder may be liable to pay income tax.

### **Risks associated with the investment spectrum**

In compliance with the investment principles and investment limits prescribed by Luxembourg law and by the Management Regulations, which provide for a very broad framework for the fund, the actual investment policy may, for example, be geared towards predominantly acquiring assets from only a few sectors, markets or regions/countries. This concentration on a few specific investment sectors may be associated with risks (such as the limited size of the market, high variability within particular economic cycles). The annual report provides information on the content of the investment policy after the corresponding reporting year has come to an end.

### **Performance risk**

There is no guarantee that the investor will be able to achieve the level of investment success they are aiming for. The unit value of the Sub-Fund may decrease and result in losses for the investor. The management company or third parties provide no guarantee with respect to a specific minimum payment obligation on redemption or specific investment success with respect to the Sub-Fund. Moreover, the actual performance of the assets acquired for the sub-fund may differ from performance expectations at the time of purchase. Investors may, therefore, get back less than the amount originally invested. An issue fee for the acquisition of units or a redemption fee for the sale of units may also reduce or even use up all of an investment amount, particularly for short investment periods.

### **Risks associated with the performance of the Sub-Fund or the investment spectrum**

#### **Market risk**

The assets in which the management company or fund manager invests on behalf of the sub-fund are subject to risk. In particular, the price and the market development of financial products are dependent on the development of capital markets, which themselves are influenced by the general state of the world economy and the economic and political framework conditions in specific countries. If prices on the international stock markets fall, it is unlikely that any fund will be able to buck the trend. The more specific the Sub-Fund's investment focus, the greater the market risk, as a very specific focus is typically associated with limited risk diversification. There may be losses in value if the asset's market value falls compared to the acquisition price or if the spot and forward prices perform differently.

#### **Foreign exchange risks with stocks**

Experience has shown that stocks are subject to sharp price fluctuations and, therefore, also the risk of prices decreasing. These price fluctuations are particularly influenced by the issuing company's profit performance as well as industry developments and overall economic performance. Market participant confidence in the respective company can also influence price development. This particularly applies to companies with stocks that have only been listed on the stock exchange or admitted to trading on another organised market for a short period of time; even minor changes to forecasts can result in sharp price fluctuations here. If the share of freely tradable stocks owned by a number of shareholders ("free float") is low, even small buy and sell orders can have a big impact on the market price, thereby resulting in greater price fluctuations.

#### **Foreign exchange risks with convertible bonds and option bonds**

Convertible bonds and option bonds certify the right to exchange the bonds into stocks or to acquire stocks. The development of the value of convertible bonds and option bonds, therefore, depends on the price development of the stock as the underlying asset. The risk of the performance of underlying stocks can, therefore, affect the performance of convertible bonds and option bonds. Option bonds that grant the issuer the right to offer the investor a predetermined number of stocks (reverse convertibles) instead of repaying a nominal amount are increasingly dependent on the corresponding stock price.

#### **Interest rate change risk**

Investing in fixed-interest securities has the potential to change the level of market interest rates that exist when a security is issued. If the market interest rate increases in comparison with the interest rate at the time of issue, fixed-interest security prices usually decrease. If, however, the market interest rate drops, the price of fixed-interest securities increases. This price development means that current returns on the fixed-interest security approximately correspond to the current market interest rate. However, these price fluctuations vary depending on the (remaining) term of the fixed-interest securities. Fixed-interest securities with shorter terms have lower price risks than fixed-interest securities with longer terms. By contrast, fixed-interest securities with shorter terms have lower returns than fixed-interest securities with longer terms. Due to their short term of a maximum of 397 days, money market instruments tend to have lower price risks. In addition, the interest rates of different interest-related financial instruments denominated in the same currency with a comparable remaining term may develop differently.

#### **Risks connected with target funds (UCITS/UCIs)**

The risks associated with a target fund acquired for a specific Sub-Fund are closely linked to the risks associated with the assets contained in these target funds and/or the investment strategies they pursue. However, these risks can be reduced by diversification of the assets within the target fund in which units are acquired, and through diversification within the Sub-Fund itself. However, as the Fund managers of individual target funds act independently of one another, it may be the case the several target funds pursue identical or opposing investment strategies. This could cause the risks involved to accumulate and any potential opportunities to cancel each other out.

It is not normally possible to monitor the management of target funds. The investment decisions taken by these target funds may not necessarily reflect the assumptions or expectations of the management company or the fund manager.

Often, up-to-date information about the composition of the target fund may not be readily available. If the composition differs from the assumptions or expectations, it may be that the management company or fund manager can only react with a significant delay by redeeming the target fund units.

Target funds in which the sub-fund acquires units could also temporarily suspend the redemption of units, effectively preventing the management company or fund manager from selling the units in the target fund by returning them to the management company or depositary of the target fund against payment of the redemption price.

In the case of investments in target funds, an issue surcharge and a redemption surcharge may also be imposed at target-fund level. Generally, a management fee at target fund level may also be incurred when units of target funds are acquired. This can result in a double cost burden.

#### **Risks in connection with bonds on assets not included in the Sub-Fund's assets**

The risks associated with bonds (certificates, structured products, etc.) acquired for the Sub-Fund and backed by underlying assets that are not part of the fund's assets are closely linked to the specific risks of such underlying assets or of the investment strategies that may be pursued by these underlying assets, as in the case of commodities as underlying assets (see, for example, the section headed "Risks associated with units in target funds (UCITSs/UCIs)" below). However, the aforementioned risks can be reduced by means of asset diversification within the sub-fund.

#### **Special risk of investment in certificates**

The investment in certificates entails the risk that no regulated market price is available for such certificates due to a certain illiquidity; this also applies to listed certificates and certificates traded in a regulated market. This is particularly the case when a significant proportion of the certificates is held by the fund or traded OTC. To mitigate the associated valuation risk, the management company may use the valuation of an independent market maker at its own discretion. Moreover, it cannot be ruled out that higher markdowns than the actual price of the certificates have to be accepted in their disposal for the reasons stated above. In addition, a counterparty default risk exists for certificates (see section on counterparty default risk, counterparty risk).

#### **Risks arising from utilising derivatives**

For sub-funds that use derivative financial instruments, it cannot be guaranteed that the performance of the derivative financial instruments will have positive effects for the sub-fund and its unit holders. As a result of the leverage associated with derivatives, the value of the Sub-Fund assets can be influenced, both positively and negatively, more than would be the case for a direct acquisition of securities and other assets; accordingly, utilising derivatives involves particular risks. Because of the accompanying leverage, the value of the net Sub-Fund assets can be influenced to a considerably greater extent, both positively and negatively, in comparison with a situation involving conventional securities. Financial futures contracts that are deployed for a purpose other than that of hedging also incur considerable opportunities and risks, as only a fraction of the contract value needs to be paid immediately (the margin). Price changes can therefore result in considerable gains or losses within the sub-fund assets. This can increase the risk and the volatility of the Sub-Fund.

#### **Risks connected with OTC transactions**

As a general rule, the Sub-Fund may enter into transactions (particularly transactions involving derivatives) on the OTC market (provided this is mentioned in the [respective Sub-Fund-specific] investment policy). This involves individual off-exchange agreements. Transactions in OTC markets are less regulated than on organised stock exchanges. OTC derivatives are transacted directly with the counterparty and not via a recognised stock exchange or clearing house. Counterparties for OTC derivatives do not enjoy the same protection as on recognised stock exchanges (e.g. performance guarantee of a clearing house). Concluding OTC transactions exposes the specific Sub-Fund to the risk that the contracting party will not meet its payment obligations at all, not meet them in full or not meet them in a timely manner (counterparty risk). In addition, investments in OTC derivatives may be exposed to the risk of different valuations due to different valuation methods. In contrast to stock market-traded derivatives, which have standard terms of contract, OTC derivatives generally operate through negotiations with the other party. There is, therefore, the risk that the parties may not agree on the interpretation of the contractual terms (legal or documentation risk).

This may affect the performance of the respective sub-fund and may result in the partial or total loss of any unrealised gains.

### **Inflation risk**

Inflation involves a devaluation risk for all assets, including those held in the sub-fund. Inflation may grow at a faster rate than the value of the Sub-Fund.

### **Risks in connection with currencies**

The Sub-Fund may invest in securities or cash in currencies other than the currency of the Sub-Fund. Exchange rate fluctuations of these currencies against the currency of the Sub-Fund will have an impact on the value of the Sub-Fund. There may be currency losses on the conversion of foreign currencies and, in addition, such investments entail a transfer risk. In the event of any economic or political instability in countries where the Sub-Fund may invest, there is a risk that despite the issuer of the relevant security or asset remaining solvent, the Sub-Fund may not receive the funds it is entitled to at all, not receive them in full, not receive them in a timely manner, or only receive them in a different currency.

### **Concentration risk**

Additional risks may result from a concentration of the investment in particular assets or markets. If a Fund or Sub-Fund only holds a limited number of securities and this is considered to be concentrated, the value of the Sub-Fund may fluctuate more than that of a diversified fund that holds a larger number of securities. Selecting securities in a concentrated portfolio can also result in industry concentration and geographical concentration. For Funds or Sub-Funds with geographical concentration, the value of the Fund/Sub-Fund may be more sensitive to adverse economic, political, currency, liquidity, tax, legal or regulatory events that affect the relevant market.

### **Risk of negative interest rates**

Generally speaking, an interest rate corresponding to international interest rates less a certain margin is agreed for the investment of the Sub-Fund's cash and cash equivalents with the depositary or other credit institutions. If these interest rates fall below the agreed margin, this will lead to negative interest on the relevant account. Short, medium and long-term deposits with banks may see a negative rate of return depending on developments in the interest rate policies of the relevant central banks.

### **Company-specific risk**

The price development of securities held directly or indirectly by a Sub-Fund also depends on company-specific factors, for instance, the issuer's economic situation. If the company-specific factors deteriorate, the price of the security can fall significantly and permanently, even if the stock market performs well over the same period.

### **Risk associated with a smaller company**

Smaller company stocks may be less liquid and more volatile than stocks for companies with greater market capitalisation and tend to be associated with a comparatively greater financial risk.

### **Risk associated with the exclusion of securities/assets**

Excluding companies that do not meet certain criteria (e.g. social or sustainable factors) or that are not considered to be socially responsible from the Sub-Fund's portfolio may result in the Sub-Fund performing differently to similar Sub-Funds that do not have such principles.

### **Hedging risk**

The Sub-Fund can take measures that aim to balance certain risks. These may not work faultlessly, may not be practical, or may fail completely. The Sub-Fund may use hedging in its portfolio in order to reduce currency, duration, market or credit risks and in order to hedge the currency risk or the effective duration of the unit class with respect to certain unit classes. Hedging involves costs that reduce the value of the investment.

### **Downgrading risk**

A Sub-Fund may invest in investment grade bonds and hold them after a subsequent downgrade to avoid an emergency sale. If the Sub-Fund holds such downgraded bonds, there is an increased risk of non-payment, which in turn includes the risk of the Sub-Fund losing capital. Investors are warned that the Sub-Fund's returns or unit value (or both) may fluctuate.

### **Risks in connection with the investment in newly industrialised nations**

There are various risks associated with investing in target funds and/or securities from emerging markets. These risks are primarily related to the fast economic development process that some of these countries experience and, in this context, no assurance can be made that this development process will continue in the coming years. In addition, these markets tend to have a low level of market capitalisation and they tend to be volatile and more illiquid. Other factors (e.g. political change, exchange rate fluctuations, stock exchange controls, taxes, restrictions on the investment of foreign capital and capital recovery, etc.) can further compromise the marketability of the assets and the resulting income. Moreover, these companies may be subject to a significantly lower degree of governmental supervision and a less differentiated legislature. Their accounting and auditing are not always of the standard enforced in this country.

### **Liquidity risks**



## **Liquidity**

## **risk**

The liquidity of a Sub-Fund can be affected by various factors, which may result in the Sub-Fund temporarily being unable to process redemption requests and, even in exceptional circumstances, may result in the Fund's assets decreasing and, therefore, to liquidation under the conditions set out by law. As an example, liquidity risks may arise if, under certain market conditions, liquid securities are difficult to sell even if the Sub-Fund is only permitted to invest in instruments that can be sold at any time without high discounts being offered. It cannot, therefore, be ruled out that the transaction volume may be exposed to considerable price fluctuations depending on market conditions. In addition, in the event of increased buy and sell orders from investors, the Sub-Fund may be forced to buy or sell assets on less favourable terms than planned to maintain the Sub-Fund's liquidity, which may also have a negative impact on the Fund's assets.

### **Risk arising from borrowing**

The management company may borrow on behalf of the Sub-Fund. Loans with variable interest may have a negative impact on the Sub-Fund's assets due to increasing interest rates. If the management company is required to repay a loan and cannot compensate for it through follow-up financing or liquidity available in the Sub-Fund, it may be forced to sell assets prematurely or on less favourable terms than initially planned.

### **Risks arising from increased numbers of redemptions or subscriptions**

Buy or sell orders placed by unit holders cause liquidity to flow to the sub-fund assets or from the sub-fund assets. After netting, the inflows and outflows may result in net inflows or outflows of the Fund's cash and cash equivalents. This net inflow or outflow may prompt the management company or the fund manager to buy or sell assets, thereby incurring transaction costs. This is particularly applicable when the inflows or outflows cause cash and cash equivalents to exceed or fall below a quota set for cash and cash equivalents by the management company for the Sub-Fund. Should this happen, the Sub-Fund will incur transaction costs, which may adversely affect the fund's performance. In the case of inflows, increased fund liquidity can have a negative impact on the performance of the sub-fund if the funds cannot be invested on adequate terms.

### **Public holiday risk in certain regions/countries**

The Sub-Fund may invest in different regions/countries. Due to local public holidays in these regions/countries, there may be differences between the trading days for stock exchanges in these regions/countries and different valuation days for the Sub-Fund. The Sub-Fund may be unable to respond to market developments in the regions/countries on the same day if the day is not a valuation day, or it may be unable to trade on the market in these regions/countries on a valuation day if it is not a trading day there. This may prevent the Sub-Fund from selling assets at the right time. This may negatively affect the Sub-Fund's ability to fulfil redemption requests or to meet other payment obligations.

## **Operational risks and other risks of the Sub-Fund**

### **Risks arising from criminal activities, wrongdoing or natural disasters**

The sub-fund may fall victim to fraud or other criminal activities. It may experience losses resulting from misunderstandings or errors on the part of employees of the management company or external third parties, or from external events such as natural disasters.

### **Counterparty default risk, counterparty risk**

The Sub-Fund carries out transactions via or with brokers, clearing agents, counterparties and other agents. Accordingly, the Sub-Fund is subject to the risk that such a counterparty may be unable to meet its obligations due to insolvency, bankruptcy or for another reason. Counterparty default risk (credit risk) is the risk of the other party to a reciprocal contract failing to fulfil its obligation with respect to a receivable despite the relevant consideration having been provided. This applies to all reciprocal contracts concluded on behalf of the fund. In addition to the general trends in the capital markets, specific developments affecting the relevant issuer will affect the price of a security. Even the careful selection of securities cannot, for instance, exclude the risk that losses may be incurred due to the financial collapse of an issuer. Losses incurred due to the financial collapse of an issuer will affect the Fund to the extent that it has acquired transferable securities from this issuer.

### **Cyber risk notice**

The management company and its service providers may be vulnerable to risks and threats to operational and information security caused by cyber security incidents. Generally, cyber security incidents are the result of intentional attacks or unintentional events caused by third parties. Cyber attacks include, but are not limited to, obtaining unauthorised access to digital systems (e.g. through "hacking" or by using malware) for the purpose of stealing assets or sensitive information, damaging data or causing operational disruptions. Cyber attacks can also be executed in other ways, i.e. without gaining unauthorised access, for example, by preventing access to services on websites (i.e. trying to paralyse web services, making them unavailable to the intended users). Cyber security incidents that affect data subjects can cause disruptions and compromise business operations, which can potentially result in financial losses, including by preventing a Sub-Fund from calculating its net asset value, making it difficult to carry out trading activities for a Sub-Fund portfolio, through unit-holders being unable to carry out transactions with the Sub-Fund, by breaching any applicable data protection and data security laws or other laws, through fines and penalties being imposed by supervisory authorities, reputational damage being caused or costs for reimbursements being incurred, through other compensation or remedial measures, or by attorney fees or costs being incurred due to further compliance

requirements. Similar adverse consequences may result from cyber security incidents affecting issuers of securities in which the Sub-Fund is invested, counterparties with which a Sub-Fund carries out transactions, government supervisory authorities and other supervisory authorities, stock exchanges and other financial market participants, banks, stock brokers and traders, insurance companies and other financial institutions and other parties. Information risk management systems and contingency plans have been designed to reduce the risks associated with cyber security. However, cyber security risk management systems or contingency plans are inherently restricted, including the possibility that certain risks cannot be identified or have not been identified. In addition, cyber security plans and systems of service providers of the management company or the issuers of securities in which a particular Sub-Fund invests are beyond the management company's control.

#### **Country/region and industry risk**

The value of the Fund's assets may also be adversely affected by unforeseeable events such as international political developments, changes in government policies, restrictions on foreign investments and currency repatriations, as well as by other developments and applicable laws and regulations. If a Sub-Fund focuses on certain countries, regions or industries in the context of its investment, this reduces the risk diversification. As a result, the sub-fund will be particularly exposed to developments affecting individual or interrelated countries and regions or companies domiciled and/or operating in these countries and regions, as well as to general trends and the development of corporate profits in individual or interrelated sectors.

#### **Legal and political risks**

The sub-fund may invest in jurisdictions that are not subject to Luxembourg law, or where the place of jurisdiction for any legal dispute is outside Luxembourg. The resulting rights and obligations of the management company for the account of the fund may differ from those in Luxembourg to the detriment of the Sub-Fund and/or the unit-holders. Political or legal developments, including changes to the legal framework conditions in these jurisdictions, may not be recognised by the management company in due time, or not recognised at all, or they may result in restrictions with regard to assets that can be acquired or those that have already been acquired. These consequences could also arise if the legal framework conditions for the Management Company and/or the fund management change in Luxembourg.

#### **Key person risk**

If the sub-fund's performance is very strong over a certain period, this success may also be attributable, at least in part, to the expertise of the individuals acting on behalf of the sub-fund and thus the right decisions being made by the management team. The members of the Fund Management Team may, however, change. The actions of the new decision-makers may then lead to less success.

#### **Custody risk**

The custody of assets entails a risk of loss which results from the insolvency, negligence or improper conduct by the custodian or a sub-custodian.

#### **Settlement risk**

In particular, if unlisted securities are acquired or derivative instruments are used, there is a risk that the transaction will not be settled as expected due to one counterparty failing to pay or deliver in due time or as agreed.

### **Sustainability risks**

#### **Sustainability risks for assets**

The fund manager generally makes investment decisions taking sustainability risks into account. Sustainability risks can arise from ecological and social influences on a potential asset as well as from the issuer's corporate governance for an asset.

The sustainability risk can either represent a separate risk type or exacerbate other risk types relevant for the Fund, such as market risk, liquidity risk, credit risk or operational risk, and in this context can sometimes make a significant contribution to the Fund's overall risk.

If sustainability risks arise, they can have a significant impact on the value and/or the returns on the assets concerned—up to a total loss. Such effects on an asset can adversely affect the Fund's returns.

The aim of the fund manager taking sustainability risks into consideration is to recognise these risks as early as possible and to take appropriate measures to minimise the impact on the assets concerned or the overall Fund portfolio.

Sustainability aspects, which can have a negative impact on the Fund's returns, are split into environmental, social and governance aspects (hereinafter "ESG"). While environmental aspects include climate protection, for example, examples of social aspects include compliance with requirements for safety at work. Taking compliance with employee rights and data protection into account form components of governance aspects. Aspects of climate change are also taken into account, including physical climate events or conditions such as heatwaves, rising sea levels and global warming.

#### **Issuer-specific risk in connection with sustainability**

The risks associated with ESG issues can have a negative impact on the market price of an asset investment.

The market value of financial instruments issued by companies that do not adhere to ESG standards and/or (also) do not commit to implementing ESG standards in the future can be negatively influenced by materialising sustainability risks.

Such influences on the market value can be caused, by reputational damage and/or sanctions, for example, where further examples include physical risks and transition risks—e.g. caused by climate change.

**Operational risks in connection with sustainability**

The Fund or the management company may suffer losses due to environmental disasters, socially-induced aspects in relation to employees or third parties and due to failures in corporate management. These events can be caused or exacerbated by a failure to pay attention to sustainability issues.

**CONFLICTS OF INTEREST**

The management company and/or its employees, representatives or affiliated companies may act as investment consultant, fund manager, central administration agent or registration and transfer agent, or in some other way as a service provider for the Fund/Sub-Fund. The role of depositary may also be performed by a company that is affiliated with the Management Company. The management company is aware that conflicts of interest may arise in relation to the management of the Fund or Sub-Fund as a result of the various roles. The management company has sufficient and appropriate structures and checking mechanisms in accordance with the law of 2010 and the applicable administrative provisions of the CSSF; in particular, it acts in the best interests of the Fund/Sub-Fund and ensures that conflicts of interest are avoided. The management company has established a set of principles for handling conflicts of interest. The most recent version of these principles is available at <https://www.hauck-aufhaeuser.com/rechtliche-hinweise/rechtliche-hinweise#rechtlichehinweiseinvestorprotection>. When tasks are outsourced to third parties, and where third parties are engaged, conflicts of interests may arise both from the cooperation with the third party and within the third-party company.

**PERFORMANCE**

An overview of the performance of the relevant Sub-Fund is provided in the *Key Investor Information Document*.

## **UNITS**

Units of **MEDICAL** are units of the particular Sub-Fund.

## **THE ISSUE OF UNITS**

The units of the particular sub-fund are issued at the issue price which is composed of the unit value and any sales commission specified in the overview. If stamp duties or other charges are incurred in a country in which the units are issued, the issue price increases accordingly.

The Management Company is authorised to issue new units on an ongoing basis. However, the management company reserves the right to cease issuing units temporarily or completely within the scope of the stipulations of the Management Regulations given below; in such a case, payments that have already been made are reimbursed without delay.

Units can be acquired from the management company, the depositary and the paying agents specified in this prospectus, but not from the selling agent named as an additional selling agent.

**The acceptance periods for subscription applications are based on the periods specified in the provisions of the management regulations.**

## **REGULATIONS ON THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING**

The management company is responsible for the measures to combat money laundering and terrorist financing in accordance with Luxembourg law and the circular published by the CSSF on this matter.

In accordance with international regulations and laws and regulations of Luxembourg, including the Luxembourg law on combating money laundering and the financing of terrorism of 12 November 2004 in its currently applicable version and all related amendments or succession regulations and the relevant regulations and circulars of the Luxembourg Financial Supervisory Authority CSSF, as amended, obligations are imposed on all persons and companies operating in the financial sector to prevent misuse for the purpose of money laundering and/or the financing of terrorism.

These measures fundamentally require the identification and verification of the identity of an investor and the economic beneficiaries in accordance with the Money Laundering Act.

Information that is transferred in this context is collected exclusively for compliance with the provisions on combating money laundering and the financing of terrorism.

The management company is obliged to enter into the Luxembourg register of economic beneficiaries certain information on each investor deemed an economic beneficiary within the meaning of the Law of 2004 in accordance with the Law of 13 January 2019 on the register of economic beneficiaries (the "Law of 2019"), making certain information publicly accessible in the register of economic beneficiaries.

Each person deemed an economic beneficiary of the Fund under the terms of the Law of 2019 is legally obliged to make the information required within this context available on request.

## **THE CALCULATION OF UNIT VALUE**

To calculate the fund's net asset value, liabilities are subtracted from the value of the fund's assets ("fund's net assets") on each valuation day in accordance with the terms of the management regulations; this value is then divided by the number of units in circulation and rounded to two decimal places.

The calculation of net asset value is further described in Article 7 of the management regulations.

## **REDEMPTION AND EXCHANGE OF UNITS**

Unit-holders are entitled to request the redemption or conversion of their units at any time through one of the paying agents, the depositary or the management company, at the redemption price set out in the Fund's Management Regulations. In this regard, unit switching requests may only be submitted to the registration and transfer agent as value orders.

**The acceptance periods for redemption requests are based on the periods specified in the provisions of the management regulations.**

## **UTILISATION OF INCOME AND OTHER PAYMENTS**

The utilisation of income will be specified for each unit class of the Sub-Fund.

Insofar as income of the unit class concerned may, in principle, be distributed, the provisions of article 11 of the Management Regulations shall apply.

Any fund unit distributions are paid via the paying agents, the depositary or the Management Company. The same applies to any other payments to the unit-holders.

## **PUBLICATIONS AND POINTS OF CONTACT**

The applicable issue and redemption prices for units and any other information intended for unitholders may be obtained at any time from the registered office of the management company, from the depositary, or from the paying agents and selling agents.

The Sales Prospectus with Management Regulations, as amended, and the annual and semi-annual reports can also be obtained there, and the management company's articles of association can also be viewed.

Key investor information (*Key Investor Information Document*) can be downloaded from the following internet address of the Management Company: [www.hauck-aufhaeuser.com](http://www.hauck-aufhaeuser.com). In addition, a hard copy will be provided by the management company or distribution agents on request.

As a matter of principle, the current applicable issue and redemption price is published on the management company's website ([www.hauck-aufhaeuser.com](http://www.hauck-aufhaeuser.com)) and may also be published in a supra-regional daily newspaper or another online medium.

Other important information for the unit-holders will always be published on the website of the management company ([www.hauck-aufhaeuser.com](http://www.hauck-aufhaeuser.com)). Insofar as required in law, there will be an additional publication in Luxembourg in a daily Luxembourg newspaper.

Investor complaints can be directed to the management company, the depositary or any paying or distribution agents. They will be processed there in a proper manner within 14 days.

## **COSTS**

For managing the Fund and its Sub-Funds, the management company receives remuneration from the particular net Sub-Fund assets; the amount, calculation and payment of this remuneration are defined in the section entitled "MEDICAL - an overview" below.

The depositary receives remuneration from the particular net Sub-Fund assets; the amount of this remuneration is also defined in the section entitled "MEDICAL - an overview" below.

The above-mentioned remunerations are defined and paid in accordance with the stipulations of the particular Sub-Fund.

In addition to the costs and expenses incurred in connection with buying and selling assets on behalf of the fund, the management company and the depositary are entitled to be reimbursed for any further expenses specified in the management regulations.

These further costs are also listed in the annual reports.

In addition, under Article 14 of the management regulations, additional costs may be charged to the sub-fund's assets.

## **REMUNERATION POLICY**

In compliance with the law of 2010, in particular in observance of the principles set down in article 111 of the law of 2010, the Management Company has compiled a remuneration policy that is compatible with, and conducive to, robust and effective risk management. This remuneration system is aligned with the Hauck & Aufhäuser Group's sustainable and entrepreneurial corporate strategy and is therefore not intended to provide any incentive to assume risks that are not compatible with the risk profiles and management regulations of the investment funds managed by the Management Company. The remuneration system must always be in alignment with the business strategy, objectives, values and interests of the Management Company and those of the funds it manages and the investors in these funds and it includes measures to avoid conflicts of interest. In particular, the variable remuneration elements are not coupled with the performance of the investment funds managed by the Management Company. There is a reasonable balance between the fixed and variable components of the overall remuneration, with the fixed components representing a sufficient share of the overall remuneration to provide full flexibility in relation to the variable remuneration components, including the option of choosing not to pay a variable component. The remuneration system is reviewed at least once a year and adjusted as necessary.

The specific details of the current remuneration policy, including a description of how the remuneration and the other expenses are calculated and the identity of the persons responsible for assigning the remuneration and the other expenses, including the members of the remuneration committee (where such a committee exists), are available from the management company's website ([www.hauck-aufhaeuser.com/rechtliche-hinweise/rechtliche-hinweise#rechtlichehinweiseinvestorprotection](http://www.hauck-aufhaeuser.com/rechtliche-hinweise/rechtliche-hinweise#rechtlichehinweiseinvestorprotection)). In addition, a hard copy will be provided by the management company free of charge on request.

## **TAXATION OF THE FUND'S ASSETS AND INCOME**

The income of the fund and its sub-funds is not subject to tax in the Grand Duchy of Luxembourg. It may, however, be subject to taxation at source or to other taxes in countries where the respective assets of the sub-fund are invested. Neither the management company nor the depositary will collect receipts for such taxes for any individual or for all unit-holders.

The fund's assets are subject to a *taxe d'abonnement* in the Grand Duchy of Luxembourg, currently payable at a maximum of 0.05% p.a. This *taxe d'abonnement* is calculated and paid quarterly based on the fund's net assets as reported at the end of each quarter.

On 10 November 2015, the Council of the European Union adopted Directive (EU) 2015/2060 which was issued to repeal the EU Interest Directive (Directive 2003/48/EC). Consequently, there has been complete tax transparency within the EU since 2018, thus rendering EU withholding tax obsolete. In this context, Luxembourg operates a system of automatic exchange of information regarding financial accounts. Before the EU Savings Directive was repealed, all Member States of the European Union were obliged to disclose details to the competent authorities of a Member State regarding interest payments and equivalent payments made in that Member State to persons who reside in the other Member State. However, some states were permitted to apply withholding tax during the transitional period instead.

Prospective investors should, at regular intervals, procure information pertaining to the taxes applicable to the acquisition, possession and redemption of shares and distributions in accordance with the laws that apply in the country in which they are a citizen, in which they reside or in which they are domiciled, before they subscribe to units. Investors should consult their own tax advisors with regard to the effect of their investments in the Sub-Fund in accordance with the tax legislation that applies to them, particularly the tax legislation for the country in which they are resident or in which they are domiciled.

## **AUTOMATIC EXCHANGE OF INFORMATION - OECD COMMON REPORTING STANDARD (CRS)**

The OECD developed a Common Reporting Standard ("CRS") in response to the problem of tax evasion in offshore areas on a global level. Based on this standard, participating countries are obliged through a multilateral international treaty and, in the European Union, through the Mutual Assistance Directive, to exchange financial information relating to persons who reside abroad for tax reasons. Domestic financial institutions are, therefore, legally obliged to automatically submit any foreign taxpayer accounts to the Luxembourg tax authorities on an annual basis if these accounts are subject to reporting. The accounts can be identified through common due diligence and reporting procedures. The Grand Duchy of Luxembourg implemented the CRS with a law dated 18 December 2015 regarding the automatic exchange of financial information in the area of tax.

Data collection within the scope of the exchange of information may also include information concerning the Sub-Fund. Accordingly, the management company is obliged to carry out due diligence and reporting procedures in accordance with the CRS, as set out in the Luxembourg implementing law of 2015.

Accordingly, investors may be requested to provide the management company or contracted third parties with additional information to allow the management company or the third party to meet their obligations under the CRS. Failure to provide the requested information may result in the investor being required to pay taxes, fines or make other payments. The management company reserves the right to effect compulsory redemption for such an investor's units.

## FATCA – Foreign Account Tax Compliance Act

Sections 1471 to 1474 of the US Internal Revenue Code dated 1986, as amended (FATCA), provide for reporting obligations and a possible 30% withholding tax obligation ("FATCA withholding tax") on payments:

- to all financial institutions not resident in the USA (each a foreign financial institution, or "FFI"), provided that these are not part of the "Participating FFIs", i.e. FFIs that
  - enter into a contractual arrangement with the Internal Revenue Service ("IRS") to provide it with certain information regarding their account holders or investors; or
  - are otherwise exempt from the FATCA provisions; or
  - that have the status of a FFI which is deemed FATCA compliant (deemed-compliant FFI); or
- to investors (recalcitrant holder) who are not otherwise exempt from FATCA provisions and who do not provide sufficient information to ascertain;
  - whether such investors are "US persons"; or
  - whether they should otherwise be treated as holders of a corresponding "US account".

The FATCA withholding tax regulation applies to payments originating outside the United States and could come into force for foreign pass thru payments at a later point in time.

The United States has reached intergovernmental agreements ("IGAs") with numerous other states to simplify the implementation of FATCA requirements. In accordance with FATCA and the "Model 1" and "Model 2" IGAs, an FFI in an IGA signatory country can be treated as a "Reporting FI" ("Reporting financial institution" or, in the case of various exempt entities, a "Non-reporting FI"). Accordingly, such FFIs are not be subject to withholding tax on payments they make or receive. Under both IGA models, a reporting financial institution is always required to report certain information concerning its account holders or investors either to the authorities of its home Member State or to the IRS.

The United States and the Grand Duchy of Luxembourg signed an intergovernmental agreement on 28 March 2014 (the "Luxembourg IGA"), which is largely based on "Model 1" IGA. The Luxembourg IGA regulations were transposed into national law through the law of 24 July 2015. The management company expects the Fund to be treated as a reporting financial institution under the regulations of the Luxembourg IGA and that FATCA withholding tax will not have to be paid on payments the Fund makes in connection with its units accordingly. However, such an obligation cannot be ruled out completely. However, payments over and above the FATCA withholding tax withheld should be excluded.

Investors may be requested to provide the management company or contracted third parties with additional information to allow the management company or the third party to meet their obligations under FATCA regulations.

The above description of the highly complex FATCA regulation is based on the existing regulations, the official guidelines, the IGA models and the Luxembourg IGA. All of these documents may be changed.

Prospective investors should consult their own tax advisors with regard to the extent to which these regulations are relevant for payments they would receive in connection with an investment in the Fund's units. Under certain circumstances, other tax regulations of the US or its local authorities not outlined in this section may also apply.

**MEDICAL  
AT A GLANCE**

**MEDICAL BioHealth SUB-FUND**

<b>Incorporation of the fund and sub-fund:</b>	30/10/2000
<b>Initial issue price (excl. sales commission):</b>	
Unit class EUR	EUR 124.02
Unit class EUR H	EUR 126
Unit class I	EUR 129
Unit class S	EUR 133.72
Unit class I X	EUR 105
Unit class EUR E	EUR 100
Unit class A	EUR 100
<b>Issue day:</b>	
Unit class EUR	30 October 2000
Unit class EUR H	1 October 2005
Unit class I	2 May 2007
Unit class S	2 May 2007
Unit class I X	4 July 2016
Unit class EUR E	3 April 2018
Unit class A	16 April 2021
<b>Sales commission:</b> (in % of the unit value payable to the relevant agent)	
Unit class EUR	up to 5%
Unit class EUR H	up to 5%
Unit class I	up to 5%
Unit class S	up to 5%
Unit class I X	up to 5%
Unit class EUR E	up to 5%
Unit class A	up to 7%
<b>Exchange commission:</b>	none
<b>Redemption commission:</b>	none
<b>Minimum investment<sup>1</sup>:</b>	
Unit class EUR	none
Unit class EUR H	none
Unit class I	EUR 100,000
Unit class S	EUR 100,000
Unit class I X	EUR 10,000,000
Unit class EUR E	EUR 20,000,000
Unit class A	EUR 20,000,000
<b>Savings plans:</b>	None offered by the management company Additional information is available to investors from the relevant depositary.
<b>Withdrawal plans:</b>	None offered by the management company investors can obtain supplementary information from the relevant depositary institution.
<b>Management Fee (as % of the Net Sub-Fund Assets):</b>	
Unit class EUR	up to 0.86% p.a.
Unit class EUR H	up to 0.86% p.a.
Unit class I	up to 0.86% p.a.
Unit class S	up to 0.86% p.a.
Unit class I X	up to 0.86% p.a.
Unit class EUR E	up to 0.86% p.a.
Unit class A	up to 0.86% p.a.
The management fee is calculated daily based on the net asset value of assets in the respective unit class as of the previous valuation day, and paid monthly in arrears. This management fee is subject to VAT as applicable.	
<b>Depositary Fee (as % of the Net Sub-Fund Assets):</b>	
Unit class EUR	up to 0.10% p.a.
Unit class EUR H	up to 0.10% p.a.
Unit class I	up to 0.10% p.a.
Unit class S	up to 0.10% p.a.
Unit class I X	up to 0.10% p.a.
Unit class EUR E	up to 0.10% p.a.

<sup>1</sup> In exceptional cases, the management company may authorise subscriptions that deviate from the specified minimum investment without giving reasons.



<b>Unit class A</b>	up to 0.10% p.a.
The depository fee is calculated daily based on the net asset value of assets in the respective unit class as of the previous valuation day, and paid monthly in arrears. The depository fee is stated exclusive of any applicable VAT.	
<b>Fund management fee (as % of Net Sub-Fund Assets):</b>	
<b>Unit class EUR</b>	up to 1.04% p.a.
<b>Unit class EUR H</b>	up to 1.04% p.a.
<b>Unit class I</b>	up to 1.04% p.a.
<b>Unit class S</b>	up to 1.04% p.a.
<b>Unit class I X</b>	up to 1.04% p.a.
<b>Unit class EUR E</b>	up to 1.04% p.a.
<b>Unit class A</b>	up to 1.04% p.a.
The fund management fee is calculated daily based on the net asset value of assets in the respective unit class as of the previous valuation day, and paid monthly in arrears. The Fund management fee is stated exclusive of any applicable VAT.	
<b>Performance Fee<sup>2</sup> (payable to the fund manager):</b>	
<b>Unit class EUR</b>	up to 15%
<b>Unit class EUR H</b>	up to 15%
<b>Unit class I</b>	up to 10%
<b>Unit class S</b>	up to 10%
<b>Unit class I X</b>	up to 10%
<b>Unit class EUR E</b>	none
<b>Unit class A</b>	none
<b>Effective total cost burden (as % of Net Sub-Fund Assets):</b>	Specified in the Fund's annual report
<b>Performance:</b>	Specified in the key investor information (Key Investor Information Document)
<b>Sub-Fund currency:</b>	EUR
<b>Unit class currency:</b>	
<b>Unit class EUR</b>	EUR
<b>Unit class EUR H</b>	EUR
<b>Unit class I</b>	EUR
<b>Unit class S</b>	EUR
<b>Unit class I X</b>	EUR
<b>Unit class EUR E</b>	EUR
<b>Unit class A</b>	EUR
<b>Bank working day:</b>	All days that are both a bank working day and a stock exchange trading day in Luxembourg and in Frankfurt am Main
<b>Valuation day:</b>	Every bank working day
<b>End of financial year:</b>	31 December
<b>Semi-annual report:</b>	30 <sup>th</sup> June
<b>Annual report:</b>	31 December
<b>The first report will be an unaudited half-year report for the period ending:</b>	31 March 2001
<b>Acceptance and redemption deadlines for subscriptions and redemptions:</b>	12:00 midday on the previous day
<b>Payment of the issue and redemption price:</b>	Within two bank working days
<b>Denomination:</b>	Book entry registered

<sup>2</sup> The fund manager receives performance-related remuneration (performance fee) for unit classes with name components "EUR", "EUR H", "I", "S" and "I X" for the **MEDICAL BioHealth** Sub-Fund.

The amount of the performance fee for unit classes "EUR" and "EUR H" is up to 15% of the amount by which the unit value per unit class exceeds the High Water Mark at the end of a settlement period and furthermore exceeds the Hurdle Rate of 5.0%. The amount of the performance fee for unit classes "I", "S" and "I X" is up to 10% of the amount by which the unit value per unit class exceeds the High Water Mark at the end of a settlement period and furthermore exceeds the Hurdle Rate of 5.0%.

The settlement period begins on 01.01. and ends on 31.12. of each calendar year.

Entitlement to a performance fee is determined on a daily basis (consideration day), and this is taken into account in the particular unit value that is determined. Entitlement to a performance fee determined during the settlement period does not necessarily lead to a disbursement at the end of the settlement period.

The **High Water Mark** is the higher of the initial issue price or the unit value at the end of the settlement period on which the last performance fee was paid.

If the unit value on the consideration day is lower than the current High Water Mark plus Hurdle Rate, no performance fee will be calculated. If the unit value falls below the High Water Mark, positive provisions are reversed in favour of the respective unit class.

A positively accrued entitlement to a performance fee will only be paid at the end of a settlement period if the unit value exceeds the High Water Mark plus Hurdle Rate. In this case, the high-water mark for the next observation date will be adjusted to the unit price at the end of the previous performance period.

If the accruals are negative at the end of the settlement period, these will be taken into account in the subsequent consideration. There is no entitlement to a refund of any performance fee paid that has already been paid.

The performance fee will be paid out in the currency of the respective unit class at the end of the financial year concerned.

This remuneration is subject to VAT as applicable.

<b>Appropriation of earnings:</b>	
Unit class EUR	Ploughed back
Unit class EUR H	Ploughed back
Unit class I	Ploughed back Distribution
Unit class S	Ploughed back
Unit class I X	Capitalisation
Unit class EUR E	Ploughed back
Unit class A	
<b>Stock exchange listing:</b>	Not envisaged
<b>German securities identification number/ISIN:</b>	
Unit class EUR	941135 / LU0119891520
Unit class EUR H	A0F69B / LU0228344361
Unit class I	A0MNRQ / LU0294851513
Unit class S	A0MQG5 / LU0295354772
Unit class I X	A12GCR / LU1152054125
Unit class EUR E	A2JEMC / LU1783158469
Unit class A	A2QSH2 / LU2324722789
<b>Price publication:</b>	Daily on the management company's website ( <a href="http://www.hauck-aufhaeuser.com">www.hauck-aufhaeuser.com</a> ) and possibly also in a national newspaper or an online medium

## **MANAGEMENT REGULATIONS MEDICAL**

The Management Regulations define the general principles for the Fund MEDICAL ("Fund"), and they came into effect on

1 January 2021. The filing with the Luxembourg Commercial and companies register ("commercial and companies register") has been published in the Recueil électronique des Sociétés et Associations ("RESA").

The management regulations define the terms and conditions applicable to the fund.

### **Article 1 THE FUND**

1. The Fund **MEDICAL** is a legally independent separate asset ("fonds commun de placement") comprising securities and other permissible assets ("Fund Assets") that are managed in accordance with the principle of risk diversification. The Fund Assets less the liabilities that are to be assigned to the Fund (the "Net Fund Assets") must reach the value of at least EUR 1,250,000 within six months after the approval of the Fund. The Fund is managed by the Management Company. The depositary within its depositary network is responsible for the safekeeping of the Fund's assets.
2. The contractual rights and obligations of those holding units in the funds ("unitholders"), the management company and the depositary are laid down in the management regulations, which are drafted by the management company with the consent of the depositary.  
  
By purchasing a unit, unitholders accept the fund's management regulations and all approved amendments thereof.
3. The fund may consist of one or several sub-funds as laid down in Article 181 of the Law of 17 December 2010 on undertakings for collective investment, as amended (the "Law of 2010"). The fund amounts to the aggregate of the sub-funds. Each investor shares in the Fund by sharing in a sub-fund. The Management Company can launch new sub-funds at any time. The particular sub-funds are mentioned in the Sales Prospectus.
4. For the purpose of the relations between unit-holders, each sub-fund is deemed an independent separate asset. The rights and obligations of the unit holders of one sub-fund are separate from those of the unit holders of the other sub-funds. With regard to third parties, the assets of a sub-fund are only used to cover liabilities and payment obligations that relate to this sub-fund.
5. The unit value is calculated separately for each Sub-Fund in accordance with the rules specified in Article 7 of the Management Regulations.
6. The investment restrictions given in the Management Regulations apply to each sub-fund separately, with the exception of the provisions of Article 4 No. 3. I) of the Management Regulations. The assets of the fund, as arising from the addition of the net Sub-Fund assets, are to be applied for the calculation of the minimum limit (EUR 1,250,000) for the Net Fund Assets as per Article 1 no. 1 of the Management Regulations.

### **Article 2 THE MANAGEMENT COMPANY**

1. The management company is Hauck & Aufhäuser Fund Services S.A.
2. The management company shall manage the fund in its own name but exclusively in the interest and for the collective account of the unitholders. Management authorisation extends to the exercising of all rights that relate, either directly or indirectly, to the assets of the Fund.
3. The management company shall determine the investment policy of the Fund taking into account the legal and contractual investment restrictions. The management company's board of directors may entrust one or several members of the board with the execution of the day-to-day investment policy. It may also outsource the implementation of the daily investment policy to third parties, under its own responsibility and control and at the expense of the Fund, insofar as these third parties are authorised or registered for the purposes of asset management and are subject to a supervisory authority. If the execution of the day-to-day investment policy is outsourced to a third party, this shall be mentioned in the Sales Prospectus of the Fund. Moreover, the management company will confirm that the third parties have taken all the necessary measures to ensure compliance with all organisational requirements and the avoidance of conflicts of interest as specified in the applicable Luxembourg laws and regulations and that the third parties monitor the compliance with these requirements.
4. The management company may consult investment consultants or fund managers and, in particular, an investment committee under its own responsibility. The relevant costs may be charged to the Fund in accordance with the provisions of the Management Regulations and will be mentioned in the Sales Prospectus.

5. The management company prepares a Sales Prospectus for the Fund and compiles the key investor information (*Key Investor Information Document*).

### Article 3 THE DEPOSITARY

1. Hauck & Aufhäuser Privatbankiers AG, Luxembourg branch, based in 1c, rue Gabriel Lippmann, L-5365 Munsbach, the Grand Duchy of Luxembourg, registered in the commercial and companies register of Luxembourg under the number B 175937, has been appointed as depositary of the Fund in a written agreement. The depositary is a branch of Hauck & Aufhäuser Privatbankiers AG, Kaiserstr. 24, 60311 Frankfurt am Main, Germany, a fully licensed German credit institution as defined in the German Banking Act (KWG) and as defined in the Luxembourg Law of 5 April 1993 on the financial sector (in its current version). It is registered in the Commercial Register of Frankfurt am Main Local Court under HRB 108617. Both Hauck & Aufhäuser Privatbankiers AG and its Luxembourg branch are supervised by the German Federal Financial Supervisory Authority (BaFin). Additionally, the Luxembourg branch of Hauck & Aufhäuser Privatbankiers AG is subject to the Luxembourgian commission for the supervision of the finance sector (CSSF) regarding liquidity, money laundering and market transparency. All duties and responsibilities of the depositary are performed by the branch. Its role is defined in particular by the law of 2010, the CSSF circular 16/644, the depositary agreement and the sales prospectus. As a paying agent, it is obliged to pay out any distributions and the redemption price of redeemed units and other payments.
2. In the performance of its duties, the depositary acts honestly, reputably, professionally and independently, exclusively in the interest of the fund and its unit-holders.
3. The depositary ensures that the Fund's cash flows are monitored effectively and properly. The depositary shall ensure that all payments made by unit-holders or on behalf of unitholders upon subscription to the investment Fund's units have been received and that all the Fund's cash is posted to bank accounts in the name of the Fund held with the depositary (or another financial institution).
4. The depositary safeguards/monitors all the Fund's assets. In this regard, the law of 2010 differentiates between the financial instruments to be safeguarded and the other assets, although the classification can be ambiguous in some individual cases.

The depositary is subjected in some cases to different duties and stricter liability for the safeguarding of financial instruments (such as securities, money market instruments, units in Undertakings for Collective Investment) than for the safeguarding of other assets. Financial instruments to be safeguarded are kept in safe custody by the depositary in segregated depositary accounts. Aside from a few exceptional cases, the depositary shall be held liable for the loss of these financial instruments, including where the loss was caused by a third party rather than the depositary itself. In contrast, other (non-depositable) assets will not be held in securities accounts. Once the investment fund's title to these assets has been ascertained, the depositary shall maintain records of these assets. The depositary shall be liable to the management company for gross negligence or wilful misconduct with respect to the fulfilment of these duties.

For the safeguarding of the assets, regardless of their type, the depositary can appoint subcustodians to comply with the conditions of the law of 2010. The depositary's liability vis-à-vis the management company remains unaffected by the commissioning of a sub-depositary. The names of the sub-custodians are available on the depositary's website ([https://www.hauck-aufhaeuser.com/fileadmin/Impressum/List\\_of\\_Sub-Custodians\\_Hauck\\_Aufhaeuser.pdf](https://www.hauck-aufhaeuser.com/fileadmin/Impressum/List_of_Sub-Custodians_Hauck_Aufhaeuser.pdf)). As a general rule, third parties are not commissioned with the safeguarding or monitoring of the other assets, unless otherwise expressly stipulated.

When a sub-depositary is commissioned for financial instruments that are to be safeguarded, the depositary is, in particular, obliged to check that the sub-depositary is subject to effective supervision (including minimum capital requirements) and regular external auditing that guarantees that the assets are in its possession ("**depositary due diligence**"). These duties of care must also be complied with vis-à-vis any legal entity that is in the chain of custody after the sub-depositary or third-party depositary, respectively (the so-called "Correspondent").

The depositary must also ensure that each sub-custodian separates any assets belonging to the depositary's customers that are subject to joint administration from its own assets and the other assets of the depositary and, in particular, that it separates its own assets from assets belonging to the depositary's customers that are not subject to joint administration.

With respect to financial instruments to be held in safe custody, if the law of a third country stipulates that certain financial instruments must be held in safe custody with a local entity which does not fulfil the aforementioned monitoring requirement (referred to as a "**local depositary**"), the depositary may still engage this local depositary provided that the following legal requirements are met.

First, there must be no Local Depositary that does fulfil the above-mentioned supervision requirement.

Second, the safeguarding of financial instruments can only be transferred to a Local Depositary upon express instruction from the Management Company.

Furthermore, the Management Company must properly inform the investors of the commissioning of such a Local Depositary in advance.

5. The depositary is bound to instructions from the Management Company, insofar as such instructions do not breach the law, the Management Regulations or the currently valid version of the Fund's sales prospectus.
6. The depositary is entitled to terminate its depositary function in accordance with the contractual conditions at any time. In such a case, the management company is obliged to dissolve the Fund in accordance with article 12 of these Management Regulations or to appoint a new depositary within two months with the approval of the competent supervisory authority. Until a new depositary is appointed, the former depositary will fulfil its legal duties and functions in full in accordance with the Management Regulations.

The management company is also entitled to terminate the appointment of the depositaries at any time, in compliance with the respective depositary agreement. Such a termination will necessitate the dissolution of the Fund in accordance with Article 12 of these Management Regulations, unless the management company appoints another bank as a depositary to take over the legal functions of the previous depositary with the approval of the responsible supervisory authority by the end of the written notice period.

#### **Article 4** GENERAL GUIDELINES FOR THE INVESTMENT POLICY

The following general principles and investment policy restrictions apply, in principle, to all sub-funds of the fund. However, the respective sub-funds may provide for additions or derogations to these restrictions. Any such additions or derogations will be detailed in the prospectus.

The following definitions apply:

“Third country”: A third country in terms of these Management Regulations shall mean any state which is not a member of the European Union.

“Money market instruments”:  
Shall mean instruments which are normally traded on the money market that are liquid and whose value can be accurately determined at any time.

“Regulated market”:  
A market according to article 4, point 14 of Directive 2004/39/EC of 21 April 2004 on Markets for Financial Instruments (as amended).

“Law of 2010”:  
Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended

“Member State”:  
A Member State of the European Union. States that are contracting parties to the Agreement on the European Economic Area are treated in the same way as the Member States of the European Union, within the limits of this agreement and the related legal acts.

“UCI”:  
Undertaking for collective investment. Each UCI subject to part II of the Law of 2010, categorically qualifies as an AIF as defined in the Luxembourg law of 12<sup>th</sup> July 2013 on alternative investment fund managers.

“UCITS”:  
Undertaking for collective investment in transferable securities, subject to Directive 2009/65/EC.

“Directive 2009/65/EC”:  
Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (as amended)

“Securities”:  
- stocks in companies and other securities equivalent to shares in companies (“stocks”)  
- bonds and other securitised debt instruments (“bonds”)  
- all other marketable securities which permit purchasing securities by either subscription or exchange, except for those techniques and instruments specified under no. 5 below of this article.

The fund's investment policy shall be subject to the following rules and investment restrictions. The net assets of the respective sub-fund will be invested in accordance with the principle of risk spreading. The investment policy of the individual Sub-Fund can include investments in securities, money market instruments, fund units, derivative financial instruments and all other assets permitted under Article 4 of the Management Regulations. The policy may vary depending on the region in which the sub-fund is investing, the assets to be acquired, the currency in which they are denominated or their maturity. A detailed description of the investment policy of each individual sub-fund can be found in the Sales Prospectus.

1. Investments of the particular Sub-Fund may comprise the following assets:  
Due to the specific investment policy of the respective sub-funds, some of the investment options described may not apply to an individual sub-fund. Where any option is not applicable, this will be detailed in the prospectus.
- a) Transferable securities and money market instruments listed or traded in a regulated market;
  - b) Transferable securities and money market instruments that are traded in any other recognised, regulated and properly functioning regulated market in a member state of the European Union that is open to the public;
  - c) Transferable securities and money market instruments that have been admitted to official listing on a stock exchange of a third country and are traded on another regulated market in that country that is recognised and open to the public and that operates regularly;
  - d) Transferable securities and money market instruments arising from new issues, if the terms of the issue contain the obligation to request admission to official listing on a stock exchange or to trade on a regulated market as defined in the provisions stated under No. 1 a) to c) above and this admission is obtained no later than one year after the issue;
  - e) Units in a UCITS approved in accordance with Directive 2009/65/EC and/or other UCI as defined in Article 1 subsection 2 a) and b) of Directive 2009/65/EC, whether established in a Member State or third country, provided that:
    - these other UCI have been approved in accordance with legal regulations that provide that they are subject to official supervision that, in the opinion of the CSSF, is equivalent to that set down in Community law, and that there is sufficient guarantee for cooperation between the authorities.
    - the level of protection for unit-holders in the other UCIs is equivalent to that provided for unitholders in a UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
    - the business of the other UCIs is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and transactions over the reporting period;
    - no more than 10% of the assets of the UCITSs or of the other UCIs whose acquisition is contemplated, can, according to their management regulations or foundation documents, be invested in aggregate in units of other UCITSs or other UCIs.
  - f) Deposits with credit institutions which are repayable on demand or carry the right to be withdrawn, and which mature in no more than 12 months, provided that the credit institution has its registered office in a Member State. If the credit institution has its registered office in a third country, it must be subject to prudential rules considered by the CSSF as equivalent to those laid down in Community law.
  - g) Financial derivative instruments, i.e. options and futures or swaps, including equivalent cash-settled instruments, dealt in on a regulated market as described in points (a), (b) and (c) or financial derivative instruments dealt in over-the-counter ("OTC derivatives"), provided that
    - the underlying assets are instruments under the terms of no. 1 (a) to (h) of this document, financial indices (including bond, share and commodity indices that fulfil all criteria of a financial index that, amongst other things, are recognised and sufficiently diversified), interest rates, exchange rates or currencies;
    - the counterparties are institutions subject to regulatory supervision for transactions with OTC derivatives which have been licensed by CSSF;and
    - the OTC derivatives are subject to a reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offset transaction at any time at their fair value on the initiative of the Fund.
  - h) Money market instruments other than those dealt in on a regulated market, which do not fall under the above definition, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are
    - issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the Community or the European Investment Bank, a third country or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

- issued by an undertaking any securities of which are traded on regulated markets referred to in the above points (a), (b) or (c); or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law, or;
- issued by other issuers belonging to the categories approved by the CSSF, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent, and provided that the issuer is a company whose capital and reserves amount to at least ten million euros (EUR 10,000,000), that the issuer presents and publishes its annual accounts in accordance with Directive 78/660/EEC, and that it is an entity which, within a group of companies including one or several listed companies, is dedicated to the financing of the group, or is an entity which is dedicated to the financing of securitisation vehicles which benefit from liquidity line provided by a bank.

i) Equity participations within the meaning of Article 2 (8) of the German Investment Tax Act (Investmentssteuergesetz). Equity participations for these purposes are:

- Units of corporations which are admitted to official trade on a stock exchange or in another regulated market or which are included in this market;
- Units of corporations which are resident in a Member State of the European Union or in a contracting state to the Agreement on the European Economic Area and which are subject to taxation of income for corporations and are not exempt from such taxation;
- Units of corporations which are resident in a third country and which are subject to income tax of at least 15% for corporations there and are not exempt from such taxation;
- Units of other investment funds (target funds) in the amount of the quota of their value, as published on each valuation date at which they actually invest in the aforementioned units of corporations or, where no actual quota is published, in the amount of the minimum quota set down in the investment conditions of the other investment fund.

2. In addition, the particular Sub-Fund may:

- a) invest up to 10% of its net assets in transferable securities or money market instruments other than those to which reference is made in No. 1;
- b) hold cash and cash equivalents and similar assets to a maximum amount of 49% of its respective Net Sub-Fund Assets;
- c) Take out short-term loans up to the equivalent of 10% of its net assets. These loans may be pledged as collateral or as security. Hedging transactions in connection with the sale of options or the acquisition or sale of forward contracts and futures shall not be considered loans for purposes of this investment restriction;
- d) Acquire foreign currencies as part of a back-to-back transaction.

3. In addition, the Fund will observe the following investment restrictions in the investment of its assets:

- a) The Fund may invest a maximum of 10% of its respective net sub-fund assets in transferable securities or money market instruments from the same issuer, whereby the securities held directly in the portfolio and the underlying assets of structured products will be considered jointly. The respective sub-fund may not invest more than 20% of its net assets in deposits with the same institution. The counterparty's credit risk must not exceed 10% of the Fund's Net Assets for transactions with OTC derivatives, if the counterparty is a financial institution as defined in no. 1 f). Otherwise, this maximum limit is 5% of the Fund's net assets.
- b) The total value of transferable securities and money market instruments from issuers, in which the sub-fund invests more than 5 % of its net assets, may not exceed 40 % of its net assets. This restriction does not apply to deposits and transactions with OTC derivatives with financial institutions subject to regulatory supervision.

Regardless of the individual upper limits mentioned in no. 3 a), the Fund may invest no more than 20% of its net Sub-Fund assets at one single institution in a combination of:

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

- c) The maximum limit stated in no. 3 a) sentence 1 is no more than 35% if the transferable securities or money market instruments are issued or guaranteed by a member state or its regional authorities, a third country or public international institutions that count at least one of the member states amongst its members.
- d) The maximum limit stated in no. 3 a) sentence 1 is no more than 25% for certain bonds if these are issued by a financial institution based in a member state which is subject to special regulatory supervision on account of statutory provisions for the protection of the holders of such bonds. In particular, the income from the issuance of such bonds must be invested in assets that sufficiently cover any liabilities arising from such bonds throughout their entire term and that are take precedent with regard to capital repayments falling due and interest payments in the event of the issuer defaulting in accordance with the statutory provisions.

If a Sub-Fund invests more than 5% of its Net Assets in bonds under the terms of the above subparagraph that are issued by one single issuer, the total value of these investments must not exceed 80% of the UCITS's net asset value of the particular Sub-Fund.

- e) The transferable securities and money market instruments referred to in paragraph 3 (c) and (d) will not be taken into account for the purpose of applying the limit of 40% referred to in paragraph 3 (b).

The limits provided for in paragraph 3 (a), (b), (c) and (d) may not be combined. Hence, investments in transferable securities or money market instruments issued by the same body, or in deposits or derivative instruments made with this body, carried out in accordance with paragraph 3 (a), (b), (c) and (d) may not exceed a total of 35% of the net assets of the fund.

Companies that are part of the same group of companies in respect to the preparation of consolidated financial statements as defined in the Directive 83/349/EEC or the recognised international accounting standards shall be considered as a single issuer for the calculation of the investment restrictions provided under these clauses a) to e).

Cumulatively, the Sub-Fund may invest up to 20% of its net assets in transferable securities and money market instruments from the same group of companies.

- f) Notwithstanding the investment limits specified in no. 3 k), l) and m) below, the upper limits for investments in shares and/or Debt Instruments of one single issuer given in no. 3 a) to e) are no more than 20% if the objective of the investment strategy of the particular Sub-Fund is to emulate a certain share or Debt Instrument index approved by the CSSF. The prerequisites for such a case are that

- its composition is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers; and
- the index is published in an appropriate manner.

- g) The maximum limit laid down in paragraph 3 (f) shall be 35% where this proves to be justified by exceptional market conditions, and in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. An investment up to the maximum limit can only be realised with a single issuer.

- h) Notwithstanding the provisions set out in No. 3 (a) to (e), the respective sub-fund may, in accordance with the principle of risk spreading, invest up to 100% of its net sub-fund assets in transferable securities and money market instruments issued or guaranteed by a Member State or its regional authorities, an OECD country or a public international body to which one or more Member States belong, provided that (i) such securities come from at least six different issues and (ii) no more than 30% of the net assets of the respective sub-fund are invested in securities from one and the same issue.

- i) The Sub-Fund may acquire units in other UCITS and/or other UCIs as defined in no. 1 (e), if it invests no more than 20% of its net sub-fund assets in the same UCITS or another UCI.

In applying this investment limit, any Sub-Fund of an umbrella fund within the meaning of Article 181 of the Law of 2010 will be considered a separate issuer, provided that the principle of individual liability per Sub-Fund applies in relation to third parties.

- j) Investments in units of UCIs other than UCITSs may not exceed 30% of the respective sub-fund's net assets.

If the Sub-Fund has acquired units of a UCITS and/or other UCI, the assets of the relevant UCITS or other UCI will not be taken into account for the maximum limit stated under no. 3. a) to e).

If the Sub-Fund acquires units of other UCITS and/or other UCI that are managed directly or indirectly by the same management company or another company with which the management company is connected through



common management or control or a direct or indirect interest, the management company or such other company may not charge any fees for the Fund's subscription or redemption of units of the other UCITS and/or other UCI.

Insofar as the Sub-Fund invests in units of target funds launched and/or managed by other companies, the potential charge of sales commissions and redemption commissions for such target funds must be taken into account. Information about the sales commissions and redemption commissions paid by the sub-fund will be included in annual reports.

If the sub-fund invests in target funds, the fees for fund administration and the management of the investing sub-fund will be charged to the sub-fund's assets, along with fund administration fees and fees for the management of the target fund. This may result in a double burden with respect to the charges for fund administration and management.

In general, the acquisition of units in target funds may result in a management fee being levied at the target fund level. The relevant Sub-Fund will therefore not invest in a target fund subject to a management fee of 3% or more. The Fund's annual report will contain information on the maximum proportion of the management fee borne by the Fund and the target funds.

- k) The relevant Sub-Fund must not acquire stocks with voting rights to an extent that would permit it to exert a significant influence on the management of the issuer.
- l) Moreover, the Sub-Fund must not acquire more than:
- 10% of the non-voting shares of a single issuing body;
  - 10% of the debt securities of a single issuing body;
  - 25% of the units of a single UCITS or other UCI within the meaning of Article 2 (2) of the Law of 2010;
  - 10% of the money market instruments from one single issuer;

The limits provided under the second, third and fourth point need not be observed, if the gross amount of the bonds or money market instruments or the net amounts of the units issued cannot be calculated at the point of acquisition.

- m) The aforementioned provisions under no. 3. k) and l) are not applicable to:
- aa) transferable securities and money market instruments issued or guaranteed by a member state or its regional authorities;
  - bb) transferable securities and money market instruments issued or guaranteed by a third country;
  - cc) transferable securities and money market instruments issued by a public international body to which one or more Member States belong;
  - dd) shares of companies incorporated under the laws of a third country, provided (i) such a company primarily invests in securities of issuers from the third country, (ii) under the laws of that country, the only way the sub-fund can acquire securities from issuers of that country is by acquiring a stake in such a company, and (iii) this company observes the investment restrictions when investing assets pursuant to paragraph 3 (a) to (e) and 3 (i) to (l);
  - (ee) shares held in the capital of subsidiaries pursuing only the business of management, advice or marketing in the country where the subsidiary is established, in regard to the repurchase of units at unitholders' request exclusively on its or their behalf.
- n) The Sub-Fund may not acquire any goods, or precious metals, with the exception of certificates that are to be considered securities and are recognised as permitted assets in the scope of the administration practice.
- o) The Sub-Fund may not invest in real estate, although investments in real estate-backed securities or interest on the same or investments in securities issued by companies that invest in real estate, and interest on the same, are permissible.
- p) No loans or guarantees may be issued to third parties against the sub-fund's assets, whereby this investment restriction of the Sub-Fund does not hinder the Sub-Fund from investing its net assets in securities, money market instruments or other financial instruments referred to in no. 1 (e), (g) and (h) above that are not paid up in full; provided that the Sub-Fund has sufficient cash or other liquid assets to be able to meet the outstanding payments; such reserves may not already be allocated for the sale of options.

q) Uncovered sales of transferable securities, money market instruments or other financial instruments referred to in no. 1. e), g) and h) hereabove must not be realised.

4. Notwithstanding any provisions to the contrary contained herein:

a) the particular Sub-Fund is not required to comply with the investment limits laid down in no. 1 to 3 above when exercising subscription rights that are attached to securities or money market instruments that form part of its sub-fund assets.

b) the relevant Sub-Fund may deviate from the provisions defined in no. 3. a) to j) above for a period of six months after its admission.

c) if any of these provisions are broken for reasons that are beyond the control of the Fund or because of the exercise of subscription rights, the relevant Sub-Fund shall primarily strive to rectify the situation through sales and whilst acting in the interests of its unit-holders.

d) if the issuer is a legal entity with several Sub-Funds in which the assets of each Sub-Fund are used only to cover investor and creditor claims arising when the Sub-Fund is formed, expires or is liquidated, then for the purpose of the application of the rules on risk diversification given in no. 3. a) to g) and no. 3. i) and j) each Sub-Fund shall be deemed a separate issuer.

The management company of the Fund is entitled to establish additional investment restrictions insofar as such restrictions are necessary to comply with legal and administrative regulations in the countries in which the units of the fund are offered or sold.

5. Sub-funds may subscribe, acquire and/or hold units in one or more other sub-funds within the fund ("target sub-funds") on the condition that:

- the Target Sub-Fund does not invest in the Sub-Fund itself; and
- the share of the assets that the Target Sub-Fund itself can invest in units of other Target Sub-funds of the Fund does not exceed 10% in total; and
- the voting rights that may be associated with the particular units are suspended for as long as the Target Sub-Fund units are held, without prejudice to an orderly conclusion of the accounting and the regular reports; and
- the value of these units is not included in the calculation of the fund's net assets for as long as these units are held by the sub-fund, to the extent these units affect auditing of the fund's minimum net assets as prescribed by the Law of 2010.

6. Techniques and instruments

The Sub-fund may use derivatives or other techniques and instruments for hedging and for the effective management of the portfolio, for the maturity or risk management of the portfolio, or to achieve income, i.e. for speculative purposes.

If such transactions are related to the use of derivatives, the conditions and restrictions must be in accordance with the provisions of no. 1 to 4 of this article above. In addition, the provisions laid down in paragraph 7 below relating to risk management procedures for derivatives must also be observed.

7. Risk management procedures for derivatives

With regard to transactions involving derivatives, the respective sub-fund must ensure that its global exposure associated with derivative instruments does not exceed the total net value of its portfolio.

The exposure shall be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. This shall also apply to the following subsections.

- The particular Sub-Fund may, as part of its investment strategy, effect investments in derivatives within the limits set down in no. 3 e) of this article above, provided that the total risk of the underlying assets does not exceed the investment limits given in no. 3 a) to e) of this article above. Where the fund invests in index-based financial derivative instruments, such investments are not required to be considered for the purposes of the limits laid down in paragraph 3 (a) to (e) above.
- A derivative that is embedded in a security or a money market instrument must be taken into account with regard to the investment restrictions in paragraph 3 (e) above.

The management company regularly notifies the CSSF of the types of derivatives contained in the portfolio, the risks associated with each underlying asset, the investment restrictions and the measurement method used for the risks associated with derivative transactions of the Fund.

The investment restrictions specified in this article 4 categorically refer to the time of acquisition of the relevant assets. If the aforementioned ceilings are exceeded after acquisition due to value increases, the management company will reinstate the investment restrictions whilst giving due account to the investors' interest.

## **Article 5** UNITS

1. Units in the respective sub-fund are securitised through unit certificates, with corresponding coupons, made out to the bearer unless stipulated otherwise in the prospectus.
2. In principle, all units in the respective sub-fund have the same rights attached to them and are freely transferable.
3. Units shall be issued to the respective sub-fund in bearer form. They are issued in unit divisions defined by the management company. If a securitisation in global certificates takes place, effective pieces cannot be delivered. This is mentioned in the Sales Prospectus. Insofar as the units are issued in book form via transfer to securities accounts, the management company can issue unit fractions of up to 0.001 units.
4. The management company may, however, provide for several unit classes for each Sub-Fund. If different unit classes are provided for, this will also be mentioned in the Sales Prospectus.

The unit classes can differ as follows:

- (a) the cost structure with regard to selling commissions, redemption commissions and, where applicable, selling agent commissions;
- b) the cost structure in terms of the particular remuneration for the management company, depositary bank and the investment consultants or fund manager;
- (c) regulations concerning sales and the minimum subscription amount or the minimum deposit;
- d) the distribution policy;
- e) with regard to the currency in which the unit classes are denominated;
- f) any other criteria as defined by the management company.

From the day of issue, all units are entitled to income, price gains and the liquidation proceeds of their unit class in the same way.

- 5. The issue and redemption of the units and the payments to units or income certificates are performed by the management company, the depositary and via any paying agent.
- 6. The management company may split or merge units within a unit class.
- 7. The management company may dissolve existing unit classes in accordance with the provisions of Articles 12 and 13 of the Management Regulations, or consolidate these within the Fund or merge these with another UCITS, or sub-fund/unit class thereof, which is managed by the same or another management company, whereby this other UCITS or sub-fund/unit class may be based either in Luxembourg or another member state.

#### **Article 6 THE ISSUE OF UNITS**

- 1. The units will be issued on each valuation day at the unit price plus a sales commission. The size of the sales commission for the particular sub-fund is defined in the prospectus. The sales commission will be collected on behalf of the relevant broker. The issue price may increase due to fees or other charges incurred in the respective distribution countries.
- 2. The management company may reject a subscription request at any time at its discretion. It may temporarily limit or interrupt, or permanently terminate, the issue of units, to the extent this is in the interest of all unitholders, is necessary for the protection of the management company, the relevant fund or sub-fund, in the interest of the investment policy, or where the specific investment objectives of the respective sub-fund are jeopardised. Specifically, in order to protect investors, the management company will not permit any practices related to market timing. It reserves the right to reject subscription requests from any investor whom the management company suspects of deploying such practices and to take appropriate action as required.
- 3. The management company may, in compliance with the legal stipulations of the Grand Duchy of Luxembourg, issue units against the delivery of securities, provided that a subscriber requests this approach and that these securities are suitable within the scope of the investment policy and the relevant Sub-Fund's investment restrictions. In connection with the issuing of units against the delivery of securities, the auditor of the fund must compile a report evaluating the securities to be contributed. The costs of an issue of units as described above is borne by the corresponding subscriber.
- 4. Units will be generally acquired at the issue price on the valuation day in accordance with Article 7 (1) of the management regulations. Subscription requests received by the management company by 12:00 midday (Luxembourg time) on a valuation day will be settled based on the unit price on the next valuation day. Subscription requests received by the management company after 12:00 midday (Luxembourg time) on a valuation day will be settled on the basis of the unit price on the day after the next valuation day.

The issue price is payable within two bank business days after the relevant valuation day.

- 5. The units will be transferred by the depositary on behalf of the management company immediately after receipt of the subscription price by the depositary.
- 6. The depositary will promptly pay back the money received for any subscriptions that have not been executed.
- 7. Savings plans can be offered for the fund. Where savings plans are offered, this will be mentioned in the prospectus. Insofar as the issue is part of the savings plans offered, a maximum of one-third of each of the payments agreed for the first year will be used to cover costs, and the remaining costs will be distributed equally amongst all subsequent payments.

## Article 7 THE CALCULATION OF UNIT VALUE

1. The value of a unit ("unit value") is denominated in the currency for the unit class ("unit class currency") specified in the overview of the relevant sub-fund provided in the Sales Prospectus. It is calculated by the management company or by a third-party commissioned by the management company under the supervision of the depositary on the day mentioned in the Sales Prospectus of the particular Sub-Fund ("valuation day"). The sub-fund and its unit classes shall be calculated by dividing the sub-fund's net assets of the respective unit class by the number of units of this unit class in circulation on the valuation day. Insofar as annual and semi-annual reports and other financial statistics must provide information on the situation of the fund assets as a whole, on the basis of legal regulations or the stipulations of the Management Regulations, such details are provided in euros ("reference currency"), and the assets of each sub-fund are converted into the reference currency.
2. The net assets of the Sub-Fund shall be calculated in accordance with the following principles:
  - a) The target fund units contained in the respective sub-fund will be valued using the latest calculated and available unit price or redemption price.
  - b) The value of cash and cash equivalents and bank balances, certificates of deposit and outstanding receivables, prepaid expenses, cash dividends and any declared or accrued interest not yet received shall be equal to the full amount unless it is unlikely to be paid or received in full, in which case the value will be determined by factoring in a reasonable discount in order to obtain the actual value.
  - c) The value of assets listed or traded on a stock exchange or another regulated market will be calculated based on the last available exchange rate unless otherwise stipulated below.
  - d) If an asset is not listed or traded on a stock exchange or another regulated market, or if there are assets that are listed or traded on a stock exchange or another market as mentioned above where the prices do not reasonably reflect the actual market value of the corresponding asset in accordance with the regulations in c), the value of such assets will be calculated based on a conservative estimate of a plausible sales price.
  - e) The liquidation value of futures, forwards or options that are not traded on stock exchanges or other organised markets will be equal to the respective net liquidation value, as determined on a consistent basis for all different types of contracts in accordance with the board's guidelines. The liquidation value of futures, forwards or options that are traded on stock exchanges or other organised markets is calculated on the basis of the most recently available conclusion prices of such agreements on the stock exchanges or organised markets on which these futures, forwards or option are traded by the Fund; if a future, a forward or an option cannot be liquidated on a day for which the net asset value is defined, then the basis of valuation for such an agreement is defined by the Management Board in an appropriate and reasonable manner.
  - f) Swaps are valued at their market value.  
Care will be taken to ensure that swap contracts are concluded under standard market conditions in the exclusive interest of the relevant Sub-Fund.
  - g) Money market instruments may be rated at their respective market value as defined by the management company in good faith and according to generally recognised valuation rules that can be verified by auditors.
  - h) All other securities or other assets are valued at their reasonable market price, as defined in good faith in accordance with the procedure that is to be issued by the management company.
  - i) Pro rata interest due on securities shall be included unless it has been taken into account in the market value (dirty pricing).

The value of all assets and liabilities not stated in the Sub-Fund's currency will be converted into this currency at the most recently available exchange rate. If such exchange rates are not available, the exchange rate will be determined in good faith, based on the procedure established by the executive board.

The management company may, at its discretion, allow the use of other valuation methods if it considers them to be a more appropriate way of valuing an asset.

If the management company believes that the unit price on a particular valuation day does not reflect the actual value of the units of the sub-fund, or if there have been significant movements in the relevant stock markets and/or markets since the unit price was calculated, the management company may decide to update the unit price on the very same day. Under these circumstances, all subscription and redemption requests received for that valuation day will be honoured based on a unit price that has been updated in good faith.

3. If two or more unit classes have been set up for the particular Sub-Fund in accordance with article 5 no. 3 of the Management Regulations, the calculation of the unit value has the following special features:

- a) The net asset value shall be calculated separately for each unit class in accordance with the criteria listed in paragraph 2 of this Article.
  - b) The cash inflow associated with issuing units will increase the particular unit class's percentage share in the aggregate value of the fund's net assets. The cash outflow associated with the redemption of units will reduce the percentage share of the relevant unit class in the aggregate value of the fund's net assets.
  - c) In the event of a distribution, the net asset value of unit class eligible for distribution will be reduced by the amount of the distribution. The percentage share that these unit classes have in the total value of the net sub-fund assets thus also drops simultaneously, while the percentage share that one or more other unit classes that are not entitled to distribution have in the total net fund assets increases.
4. An income adjustment procedure may be carried out for the Sub-Fund.
  5. The management company may define the unit price for extensive redemption requests that cannot be fulfilled from cash and cash equivalents and permitted loans of the relevant sub-fund based on the prices on the valuation day on which it performs the necessary security sales for the fund; this also applies to subscription requests received simultaneously for the sub-fund.

#### **Article 8**      SUSPENDING THE CALCULATION OF THE UNIT PRICE

1. The management company has the right to suspend the calculation of the unit price for the fund or sub-fund if and while circumstances obtain such that this suspension becomes necessary and if the suspension is justified when taking into consideration the interests of the unitholders, in particular:
  - a) when an exchange or other regulated market on which a substantial portion of the respective sub-fund's assets is traded is closed (excluding weekends and holidays) or when trading on that exchange has been suspended or restricted;
  - b) in emergencies, if the management company is unable to access the assets of the respective sub-fund or freely transfer the proceeds from a purchase or sale of investment or to calculate the unit price.
2. The management company will promptly publish the suspension or resumption of the calculation of unit price in at least one daily newspaper in countries in which public distribution of the fund's units is permitted, and inform all unitholders who have offered units for redemption.

#### **Article 9**      REDEMPTION OF UNITS

1. The unit-holders of the Sub-Fund are entitled to demand that their units be redeemed at any time at the redemption price specified in article 7 of the Management Regulations of the Fund and in accordance with the terms defined therein. This redemption is only executed on a valuation day. The redemption price will be paid against the redemption of the units. Where a redemption commission is charged, this must be stated in the sales prospectus.
2. Redemptions are always offered at the redemption price on the relevant valuation day. Redemption requests received by the management company by 12:00 midday (Luxembourg time) on a valuation day will be settled at the redemption price for the following valuation day. Redemption requests the management company has received after 12 noon (Luxembourg time) on a valuation day are settled on the basis of the unit value of the valuation day after the following valuation day. The redemption price is payable within two bank working days of the relevant valuation day.
3. The management company shall be entitled, with prior permission from the depositary, to delay carrying out extensive redemptions that cannot be covered from liquid assets and/or permitted borrowings of the fund until appropriate assets of the fund have been sold without delay. Investors who have offered their units for redemption will be notified of any suspension or resumption of the redemption process promptly and in a suitable manner.
4. The management company may decide to suspend the redemption of the fund's units temporarily. Suspension may only take place in exceptional circumstances where a suspension is required, and where the suspension is justified taking into account the interests of the unitholders.
5. The custodian is only obliged to make a payment insofar as no legal stipulations, e.g. legal regulations concerning foreign currency, or other circumstances beyond the influence of the custodian, prohibit the transfer of the redemption price to the country of the party making the request.
6. The Management Company can repurchase units for the Sub-Fund against payment of the redemption price insofar as this is in the interest of all the Unit-Holders or appears necessary to protect the Management Company or the Fund or Sub-Fund.

#### **Article 10 FISCAL YEAR AND AUDITING**

1. The Fund's fiscal year begins on 1 January and ends on 31 December of the respective year.
2. The annual financial statements of the Fund will be audited by an auditor appointed by the management company.

#### **Article 11 DISTRIBUTIONS**

1. The management company shall determine for each Sub-Fund if distributions from the relevant Sub-Fund assets to the unit-holders should take place in principle. This will be mentioned in the prospectus.
2. Notwithstanding the above provision, the management company may, from time to time, decide on a distribution.
3. The management company may distribute ordinary income from interest and/or dividends, less costs ("ordinary net income") as well as net realised price gains.

Moreover, non-realised price gains and other assets can be distributed provided the distribution does not cause the net fund assets to drop below the minimum limit according to article 1 No. 1 of the Management Regulations.

4. Distributions will be paid on the units issued on distribution day. Income not claimed within five years after the publication of a distribution notice will expire in favour of the relevant Sub-Fund.
5. If two or more unit classes are formed in accordance with article 5 no. 3 of these Management Regulations, the specific utilisation of the income of each unit class will be defined in the Fund's Sales Prospectus..

#### **Article 12 DURATION AND DISSOLUTION OF THE FUND**

- (1) The fund has been established for an unlimited period of time.
2. Notwithstanding the provision laid down in paragraph 1 of this Article, the management company may dissolve an existing sub-fund at any time provided that the sub-fund's net assets fall below an amount that the management company considers to be the minimum amount required to guarantee efficient management of the sub-fund, which has been set at EUR 5 million, or in the event of a change in the economic and/or political environment. Notice of dissolution of a sub-fund shall be published in advance.
3. Once a sub-fund has been dissolved, the management company will liquidate this sub-fund. This involves the sale of assets and repayment of liabilities attributable to the sub-fund. The liquidation proceeds will be paid to the unitholders in proportion to their unit holdings. Any liquidation proceeds not claimed after conclusion of the liquidation of a Sub-Fund will be deposited for any remaining and uncalled amounts in accordance with the provision contained in Article 12 no. 5 of the Management Regulations.
- (4) The dissolution of the fund will be mandatory in the following circumstances:
  - a) the term defined in the Fund's Management Regulations has expired;
  - b) if the contract with the depositary is terminated, and no new depositary is appointed within the period stipulated by law or contract;
  - c) if insolvency proceedings are filed against the management company or the management company is dissolved for any reason;
  - d) if the fund's assets remain below one quarter of the minimum limit laid down in Article 1 (1) of the management regulations for longer than six months;
  - e) in other cases provided for in the Law of 2010 or in the Fund's management regulations.
5. If an event occurs that leads to the liquidation of the fund, the issue of units will be suspended. The redemption of units in the fund shall remain possible provided that equal treatment of investors is ensured. The depositary will divide the liquidation proceeds less the liquidation costs and remunerations ("net liquidation proceeds") between the unit-holders in the Fund in accordance with their entitlement upon instruction from the management company or, where applicable, from the liquidators appointed by the management company or the depositary. The net liquidation proceeds that have not been withdrawn by unit-holders by the conclusion of the liquidation procedure are, insofar as is then legally necessary, converted into Euros and deposited by the depositary after the liquidation procedure has been concluded for the account of the unit-holders at the "Caisse de Consignation" in Luxembourg, whereby these sums expire unless they are requested there within the period stipulated by law.

- Neither the unit-holders nor their heirs, legal successors or creditors can request the dissolution or the division of the Fund.

#### **Article 13** MERGER OF THE FUND AND THE SUB-FUNDS

The management company may decide, by resolution of the executive board and in accordance with the terms and conditions and the procedure laid down in the Law of 2010, to merge the Fund or Sub-Fund with another undertaking for collective investment in transferable securities ("UCITS") or with its Sub-Fund that is managed by the same or another management company. This other UCITS or Sub-Fund may be domiciled in Luxembourg or in another Member State.

If the merging UCITS or a sub-fund of a UCITS is a common fund (FCP) that ceases to exist as a result of the merger, the effective date of the merger shall be decided by the management company of this UCITS, unless otherwise provided in the management regulations. In relation to any common fund which ceases to exist as a result of a merger, the decision regarding the effective date of the merger shall be filed with the commercial and companies register and published in RESA by way of a notice of the filing of this decision with the commercial and companies register in accordance with the provisions of the Law of 2010.

The notice to investors concerning the merger of the Fund or a Sub-Fund will be published in a manner suitable to the management company, in Luxembourg and in each of the countries in which units of the Fund or Sub-Fund are distributed.

The Unit-Holders of the absorbing Fund or Sub-Fund, as well as the transferring Fund or Sub-Fund, are entitled to demand the redemption of their units at the relevant unit value or the exchange of their units in units of another Fund or Sub-Fund with a similar investment policy managed by the same management company or another management company linked to the management company through joint management or supervision or through significant direct or indirect participation within 30 days without incurring any costs. This right shall come into effect when the unit holders of the transferring Fund or Sub-Fund and the unit-holders of the absorbing Fund or Sub-Fund are notified of the planned merger, and it expires five bank working days before the calculation of the conversion ratio.

The units of unit-holders that have not requested the redemption or exchange of their units will be replaced with units of the absorbing UCITS or Sub-Fund thereof on the basis of the unit values on the day on which the merger comes into force. Where applicable, unitholders shall also receive compensation for fractional units.

In the case of a merger between funds or sub-funds, the relevant fund or sub-fund may temporarily suspend the subscription or redemption of units, provided that this is justified in order to safeguard investors' interests.

Any legal, advisory or administrative costs associated with the preparation and the completion of the merger will not be charged to the fund or Sub-Fund or their unit-holders.

#### **Article 14** COSTS

The particular Sub-Fund can incur the following general costs:

- The Management Company receives a remuneration from the relevant Net Sub-Fund Assets that is calculated daily for the previous valuation day's Net Sub-Fund Assets of each unit class and paid out monthly in arrears. The amount of the remuneration, including any minimum remuneration with respect to the individual Sub-Fund is mentioned in the Sales Prospectus. This fee is stated exclusive of any applicable VAT.
- The investment consultant or fund manager may receive remuneration from the relevant Net Sub-Fund Assets that is calculated daily for the previous valuation day's Net Sub-Fund Assets of each unit class and paid out monthly in arrears. Information about the fee amount, including any minimum fee broken down by the individual sub-funds, shall be disclosed in the prospectus. This fee is stated exclusive of any applicable VAT.
- In addition to the aforementioned fees, a performance fee may be paid out from the respective sub-fund's assets. The prospectus shall include further details relating to performance fee associated with the relevant sub-fund, including regarding the amount, calculation and payment of the performance fee, and its recipients. This fee is stated exclusive of any applicable VAT.
- The depositary shall receive a fee from the net assets of the fund. This fee shall be calculated daily based on the fund's net asset value on the previous valuation day, and paid monthly in arrears. The amount of the remuneration, including any minimum remuneration with respect to the individual Sub-Fund is mentioned in the Sales Prospectus. This remuneration is subject to VAT as applicable.
- Any distribution agent may receive a remuneration from the relevant Net Sub-Fund Assets that is calculated daily for the previous valuation day's Net Sub-Fund Assets of each unit class and paid out monthly in arrears. The amount of



the remuneration, including any minimum remuneration with respect to the individual Sub-Fund is mentioned in the Sales Prospectus. This remuneration is subject to VAT as applicable.

6. Individual assets may not be taken into account in the calculation of the above-mentioned remunerations, provided this is offered and in the interests of the investor.
7. In addition to the costs, the relevant Sub-Fund may be charged other costs, including the following:
  - a) all costs associated with the acquisition, disposal and ongoing management of assets;
  - b) the market price for the provision of direct or indirect operational expenditures of the depository or management company that result in particular from the use of OTC transactions, including the costs of collateral management incurred as part of OTC transactions, securities lending transactions and repurchase agreements, as well as other costs incurred as part of the trade in OTC derivatives.
  - c) Taxes and similar levies charged on fund assets where the income or expenses are at the expense of the fund.
  - d) Costs of legal advice incurred by the management company or depository when acting in the interests of the unitholders.
  - e) Fees and costs for fund auditors.
  - f) The cost of issuing share certificates and income coupons.
  - g) cost of the redemption of coupons and the renewal of coupon sheets;
  - h) cost of compiling, depositing and publishing the Management Regulations and other documents that relate to the Fund, such as sales prospectuses, including the costs of applying for registration with or supplying written explanations to all registration authorities, stock exchanges (including local securities dealers' associations) and other institutions as required in connection with the Fund or the offering of its units;
  - i) cost of the preparation of the key investor information (*Key Investor Information Document*);
  - j) Printing and distribution costs for the annual and semi-annual reports for shareholders in all required languages, as well as the printing and distribution costs for any other reports and documents required in accordance with the applicable laws and regulations of the specified authorities.
  - k) Costs publications intended for unitholders, including costs of providing information to unitholders in the respective fund using stable media;
  - l) A reasonable percentage of the costs of advertising, marketing support, implementing the marketing strategy and other marketing campaigns, and costs directly incurred through the offering and sale of units.
  - m) cost of risk controlling or risk management;
  - n) All costs and fees related to unit certificate transactions and sales services.
  - o) The costs of assessments of the creditworthiness of the fund and/or sub-fund carried out by nationally and internationally recognised ratings agencies.
  - p) Expenses associated with a stock exchange listing.
  - q) remunerations, expenses and other costs arising from the paying agents, any distribution agents and other agents that need to be set up abroad;
  - r) Expenses for any investment committee or ethics panel;
  - s) expenditures of a board of directors or supervisory board;
  - t) cost of the establishment of the Fund or individual Sub-Funds and the first issue of units;
  - u) other administration costs including costs for stakeholder organisations;
  - v) Any licence fees for the use of indices;
  - w) The costs of performance attribution;
  - x) Insurance costs;

- y) interest due on loans taken in accordance with Article 4 of the Management Regulations;
- z) costs payable in connection with the implementation of regulatory requirements/reforms; and
- aa) costs and expenses for the scientific advisory board.

All of the above-mentioned costs, charges, fees and expenses are plus any VAT due.

8. All costs will be offset first against ordinary income, then against capital gains, followed by the fund's assets.
9. The costs of the individual sub-funds shall be calculated separately, provided that they relate solely to the respective sub-fund.
10. The management company, the depositary, the fund manager and the investment consultant may support the agents' support sales and marketing campaigns from their incomes and pay recurring sales commissions and sales performance commissions. The amount of such commissions will typically be determined in relation to the fund volume referred.
11. The formation costs reported in the assets of the sub-fund that existed at the time of the establishment of the fund can be amortised over the first financial year in equal instalments. The incorporation costs will be charged to each sub-fund launched at the time of its formation. Costs incurred in connection with the launch of further sub-funds and attributable to the assets of the respective sub-fund will be amortised over the first financial year following the launch of the respective sub-fund.
12. Information about the overall costs associated with the respective sub-fund or its unit classes must be disclosed in the prospectus.

#### **Article 15**    LIMITATION PERIOD

Claims of unitholders against the management company or the depositary may no longer be brought before the courts after a period of five years has elapsed since the claim arose. This provision does not prejudice the provision laid down in Article 12 (5) of the management regulations.

#### **Article 16**    AMENDMENTS

The management company may change the Management Regulations in whole or in part at any time in agreement with the depositary.

#### **Article 17**    PUBLICATIONS

1. The first valid versions of the management regulations and amendments to the management regulations will be filed with the commercial and companies register. Their publication in RESA shall be carried out by means of the publication of a reference to the respective document deposited with the commercial and companies register in accordance with the provisions of the Law of 2010.
2. Issue and redemption prices may be requested from the management company, the depositary, and any paying agent on any valuation day.
3. The management company will prepare a prospectus (known as the *Key Investor Information Document*), an audited annual report, and a semi-annual report in accordance with the laws and regulations of the Grand Duchy of Luxembourg.
4. The documents of the fund listed under paragraph 3 above can be accessed by the unitholders at the registered office of the management company or of the depositary, as well as from any paying agent or selling agent.
5. In accordance with the relevant provisions of the law, the dissolution of a fund in compliance with Article 12 of the management regulations must be filed by the management company with the commercial and companies register and published in RESA and at least two national daily newspapers, of which one must be a Luxembourg newspaper.

#### **Article 18**    APPLICABLE LAW, PLACE OF JURISDICTION AND CONTRACT LANGUAGE

1. The Fund's management regulations are governed by Luxembourg law. In particular, the regulations of the Law of 2010 apply in addition to the provisions of the Fund's Management Regulations. The same applies to the legal relationships between the unit-holders, the management company and the depositary.

2. The place of jurisdiction for any legal disputes between the unitholders, the management company and the depositary shall be the competent court in the Grand Duchy of Luxembourg. With regard to matters concerning the fund, the management company and the depositary may elect to submit themselves and the fund to the jurisdiction and laws of any of the countries of distribution in respect of the claims of investors resident in the country concerned.
3. Unless expressly otherwise provided in the management regulations, the German version of these management regulations is binding.

**Article 19** EFFECTIVE DATE

Unless stipulated otherwise, these management regulations will become effective on the day they are signed. Changes to the Management Regulations also come into force on the day of their signing, unless otherwise specified.