



*PPF II*  
*(“PMG PARTNERS FUNDS II”)*

PROSPECTUS  
and Management Regulations

July 2019

*PPF II*  
(“*PMG PARTNERS FUNDS II”)*

fonds commun de placement à compartiments multiples  
pursuant to Part I of the Luxembourg Law of 17 December 2010  
on Undertakings for Collective Investment

**PROSPECTUS**  
(and Management Regulations)

July 2019

The Prospectus is only valid in conjunction with the Management Regulations, the latest annual report and the most recent semi-annual report of the Fund, if the annual report dates back more than eight months. Both reports form an integral part of the Prospectus. A brief description of the Fund is available in the form of the Key Investor Information document (the "Key Investor Information"). All the aforementioned documents are available at all times free of charge to current and future investors.

No person is authorised to refer to information which is not included in the Prospectus or in documents to which the Prospectus refers and which are accessible to the public.

## Table of Contents

	<u>Page</u>
1. The Fund	4
2. Exclusion of US persons	4
3. The Investment Policy	5
4. The Management Company	27
5. The Depositary	29
6. The Fund Manager	31
6.1 The Sub-fund Manager	32
7. Issue, redemption and conversion of units	33
8. Payments and Information	34
Additional information for investors in the Federal Republic of Germany	34
Additional information for investors in Austria	34
Additional information for investors in Switzerland	34
9. Taxation	35
10. Risk considerations	36
11. Securitisation of units	41
12. Investments in funds	41
Overview of important information relating to the all sub-funds	42
Management and Administration	66
Management Regulations	69

# Prospectus

## 1. The Fund

The Fund described in the present Prospectus is a Luxembourg umbrella fund (*fonds commun de placement à compartiments multiples*) which may launch different sub-funds that invest in securities and other permitted assets. The Fund was established under Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment (the “Law of 2010”) and meets the requirements of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended.

The Fund is managed by LRI Capital Management SA (the “Management Company”).

Investments in the Fund shall comply with this Prospectus and the Management Regulations that follow. Both documents together form the basis for the subscription of units.

Pursuant to Article 5 of the Management Regulations, different unit classes may be issued for the individual sub-funds.

The Fund’s Management Regulations were published for the first time in Mémorial C on 2 July 2015. The most recent change to the Management Regulations came into force on 14 December 2018 and was filed and published in the *Recueil Electronique des Sociétés et Associations* (RESA) on 14 December 2018.

## 2. Exclusion of US persons

The units may not be held by “US persons”.

US persons are:

- a) those natural persons who
  - (i) were born in the USA or one of its territories or sovereign territories,
  - (ii) were naturalised (e.g. green card holders),
  - (iii) were born in another country as the child of a US citizen,
  - (iv) are not US citizens but mainly stay in the US or
  - (v) are married to a US citizen
  - (vi) live in the USA;
- b) US legal entities, in particular:
  - (i) partnerships and limited companies, pension funds or other companies or legal entities that were established under the laws of one of the 50 US federal states or the District of Columbia or under an Act of Congress or are registered in a US commercial register;
  - (ii) all assets (estates), whose executor or administrator is a US person;
  - (iii) all trusts if
    - a court in the United States were to be authorised under applicable law to issue orders or judgements about all key issues relating to the administration of the trust, and
    - one or more people in the United States were to be authorised to control all key decisions made by the trust or an inheritance left by a deceased person who was a US citizen or resident. This item must be interpreted in agreement with the US tax code;
  - (iv) a branch or subsidiary located in the US of a legal entity that is not a US person;
  - (v) any discretionary or non-discretionary account or similar account (if these are not assets or a trust pursuant to letters (ii) and (iii)) that is held by a dealer, administrator or trustee in behalf of or on the account of a US person;
  - (vi) any discretionary or similar account (if these are not assets or a trust pursuant to letters (b) and (c)) that is held by a dealer, administrator, trustee or US person established or registered in the USA;
  - (vii) any legal entity established or registered by or for a US person under law different to that of the USA or its federal states, provided it was essentially established in order to execute one or more transactions covered by the “offshore exemption” of the Volcker Rule;
  - (viii) any passive “NFFE” (Non Financial Foreign Entity) with at least one controlling person (who holds more than 25% of the voting shares) who is a US citizen or resident;
  - (ix) any “non-participating financial institution”.

The definition stated above of a US person must be interpreted as defined by FACTA (FATCA treaty between the United States of America and the Grand Duchy of Luxembourg dated 28 March 2014). Non-participating financial institutions as defined by Paragraph 3 No. 2 (i) of this article are treated as US persons.

The Management Company will reject any subscription requests from investors within the meaning of No. 2 of the Prospectus.

### **3. The Investment Policy**

The objective of the investment policy is the long-term appreciation of the invested capital.

In this regard, the Management Company shall offer investors a choice of different funds (the “sub-funds”), which differ in their investment policies as described in the following overview.

The Fund will not use techniques and instruments as defined in Article 3 (11) and (18) of Regulation (EU) 2015/2365. If the Fund intends to use these techniques and instruments, the Fund Prospectus will be amended in line with the provisions of Regulation (EU) 2015/2365.

The following sub-funds are currently available to investors:

- PPF II (“PMG Partners Funds II”) – Global Infrastructure Network Fund
- PPF II (“PMG Partners Funds II”) – Carnot Efficient Resources
- PPF II (“PMG Partners Funds II”) – Padma India Fund
- PPF II (“PMG Partners Funds II”) – MRB High Yield Bond Fund
- PPF II (“PMG Partners Funds II”) – PA Stabilized European Dividend Income Fund
- PPF II (“PMG Partners Funds II”) – Kingwest US Equity Fund
- PPF II (“PMG Partners Funds II”) – Culross Global Macro Fund
- PPF II (“PMG Partners Funds II”) – SMAG Global Equity Fund

At the discretion of the Management Company, this offer may be complemented by additional sub-funds that follow other investment policies.

#### **3.1. PPF II (“PMG Partners Funds II”) – Global Infrastructure Network Fund**

##### **Investment policy of the sub-fund PPF II (“PMG Partners Funds II”) – Global Infrastructure Network Fund**

The investment policy of PPF II (“PMG Partners Funds II”) – Global Infrastructure Network Fund (“sub-fund”) aims to achieve reasonable long-term asset appreciation through capital growth and harnessing yields with appropriate risk distribution, mainly through investing in a portfolio of equities issued by companies around the world that are active in the infrastructure sector. When selecting investments, a strong focus is also placed on sustainability.

The performance of the sub-fund is stated in the relevant “Key Information for Investors”.

In order to achieve the investment objectives, at least two thirds of the sub-fund’s assets (after deducting cash) shall be invested in carefully selected equities and other equity securities in companies in the infrastructure industry.

In addition, this sub-fund may invest up to one third of its total assets (after deducting cash) globally in all other permissible assets.

The sub-fund does not intend to invest directly in specific infrastructure installations.

Investments may be made in structured products with permissible underlying assets, provided these are securities as defined by Article 2 of the Grand-Ducal Regulation of 8 February 2008.

Units in UCITS or other UCIs may only be purchased up to a maximum limit of 10% of the sub-fund's assets.

At least 51% of the value of the Fund shall be invested in equity participations within the meaning of § 2 Section 8 of the German Investment Tax Act (for the definition of equity participations in this sense, see Article 4 No. 11 of the Management Regulations "Investment Tax Regulations").

In order to achieve the investment objectives stated above, the Fund shall use derivative financial instruments (“derivatives”), as well as techniques and instruments for both efficient portfolio management and hedging.

In addition, depending on market conditions, up to 100% of the sub-fund’s assets may also, within legal limits, (temporarily) be held in bonds, money market instruments, structured products, fixed-term deposits and liquid assets.

##### **Implementation of the investment policy by the Fund Manager:**

Definition of “infrastructure”:

The term “infrastructure sector” in this regard relates to services, logistical facilities and systems that are required to maintain and develop a modern society. The wider meaning of the term “infrastructure sector” is, however, not restricted to this definition. Infrastructure sector issuers include, among others, those companies that mainly deal with the planning, construction, provision or operation of (a) basic utilities (basic provision or providers) such as water (this covers companies active in preparing fresh water and sewage, facilities for water supply and distribution, including desalination plants), electricity and power supply, natural gas, oil, light, heating and waste disposal, (b) transport facilities such as (toll) roads, airports, railway lines, ports, underground railways, pipelines, canals and shipping routes, (c) communication and media networks such as telephone networks, mobile phone networks (antenna and transmission masts), cable, radio and TV networks (TV/radio towers, fibre glass and copper cable) and satellite systems, (d) social and medical infrastructure, such as hospitals, old people’s and care homes, prisons, educational institutions, sports facilities and public administration building complexes, (e) protective infrastructure projects such as dams and avalanche protection, and companies that primarily provide consulting services for the infrastructure sector and companies that primarily hold stakes in the companies stated above. However, the general validity of the information given above is not restricted by this list.

#### Definition of “sustainability”

Sustainability research:

When selecting investments, a strong focus is placed on sustainability. The selection is therefore made while taking account of sustainability criteria as well as ecological, ethical and social issues. The sustainability research includes on the one hand, the assessment of relevant sustainability trends. Sustainable issues affect general long-term economic and political conditions and drive new, successful business models: sustainability analysis aims to recognise bad risks at an early stage and maximise the future prospects of an investment, therefore making it more resistant to a change in economic and political conditions. This increases the quality of the investment.

Methodology:

The overall assessment of the effect of investments is analysed using three dimensions – profitability, society and the environment. This consideration of disadvantageous and positive impacts underpins the selection of investments. Whenever possible, no investments are made that have an overwhelmingly negative effect on profitability, society and the environment.

The assessment of the individual investments made by the Fund Manager is carried out using a grid with the three dimensions of sustainable development: profitability, society and the environment. Various issues considered globally to be important and urgent in nature are analysed and assessed:

- Profitability
  - Markets and infrastructure: has a sustainable infrastructure been created for transport, communication and energy?
  - Employment market: have sustainable workplaces been created?
  - Technology and innovation: has the necessary technological development been driven forward?
- Society
  - Nutrition: is the food chain becoming more sustainable?
  - Health: have the health systems been strengthened and can access to these be financed?
  - Education and knowledge: has access to information, knowledge and education been made easier?
- Environment
  - Bio-diversity and land: has bio-diversity been maintained on the ground, as well as in the air and water?
  - Resources and climate: have resources been saved and the climate been protected?
  - Water: has water consumption fallen?

Precise information on the investment limits is contained in Article 4 of the Management Regulations.

**In principle, past performance is no guarantee for future performance. No assurance can be given that the objectives of the investment policy will be met.**

The sub-fund may use derivatives to hedge sub-fund assets against currency, price and interest rate risks, as well as the efficient management of sub-fund assets. The use of derivatives may include options on transferable securities and financial instruments, futures and swap transactions and combined transactions such as swaptions, which are traded on a stock exchange or other regulated market or conducted with financial institutions as stipulated in Article 4 No. 3(g) (“OTC derivatives”). If derivatives within the meaning of Article 4 No. 3. (g) of the Management Regulations are employed, the relevant investment restrictions contained in Article 4 of the Management Regulations must be observed. In addition, the provisions of Article 4 No. 8 concerning derivatives, Article 4 No. 9 concerning collateral and the reinvestment of collateral plus Article 4 No. 10 on risk management procedures for derivatives are to be followed.

**Risk profile of the sub-fund PPF II (“PMG Partners Funds II”) – Global Infrastructure Network Fund**

Taking account of the circumstances and risks stated above, as well as the sub-fund's focus on the "infrastructure" and "sustainability" sectors, the sub-fund's assets may be subject to stronger price variations and therefore associated with a comparatively high level opportunities and risks.

With reference to the extensive equity-market orientation of the sub-fund, the following risks play a key role in particular: general market risk, company specific risk, the risk relating to investments in "infrastructure" and "sustainability", country and regional risk, credit risk, emerging markets risk, liquidity risk, country and transfer risks, custody risk, concentration risk, counterparty risk, risks for investments in target funds, default risks and currency risks.

Investors should also consider the specific risks of investing in "infrastructure" and "sustainability", as well as the associated concentration of the sub-fund's assets on these industries. If investments are made in infrastructure projects currently under construction, there remains a certain risk that the project cannot be completed at the projected costs, within the planned period or as per the agreed specifications.

The operation of infrastructure projects is associated with the risk of unplanned interruptions caused by disasters such as cyclones, earthquakes, landslides, floods, explosions, fire, terrorist attacks, significant system failures, pipeline or power supply breaks or other disasters. Disruptions to operations and supply can have a negative effect on the capital flows received from these assets.

If an infrastructure issuer does not maintain or operate the facilities efficiently, the ability to pay dividends or interest to unitholders may be adversely affected. If the infrastructure issuer does not have adequate insurance protection or if the facilities are not operated properly, this may result in significant damage or losses.

Infrastructure facilities may be strategic (i.e. facilities with a national or regional profile) and monopolistic in nature. Additional risks may arise from this type of facility in view of their national/regional profile and/or their insubstitutability; in addition, these facilities may be at higher risk of terrorist attacks or political measures. As a result of the fundamental characteristics of the products or services provided by infrastructure issuers, there is also a higher likelihood that the services offered by these issuers will encounter constant demand. If an infrastructure issuer does not provide these services, the users of these services may suffer significant damages; furthermore, as a result of the nature of the strategic facilities, the users may not be able to obtain these services from another source or lower any associated damages, which increases the risk of potential losses.

Infrastructure facilities are frequently subject to a range of complex legal documents and contracts. Therefore, the risk of disputes relating to the interpretation or enforceability of such documentation may be higher than for other issuers.

National and local environmental laws influence the operation of infrastructure projects. Standards for health and environmental protection based on these laws and provisions envisage financial penalties and other liabilities if these standards are not complied with; in some cases, these include the obligation to return current or past operational facilities and locations to their original condition or rehabilitate them. These laws and provisions can adversely affect the profitability of infrastructure projects.

The Fund Manager endeavours to reduce the negative effects of these risks on the sub-fund's value by diversifying its investments.

Although all possible measures are undertaken to achieve the sub-fund's investment objectives, no assurance can be given that the investment objectives will be met.

For hedging purposes and to increase the performance of the sub-fund's net assets, the sub-fund may also make use of derivative financial instruments ("derivatives") within the limits set by Article 4 of the Management Regulations. The above-mentioned derivatives may be purchased if their underlying assets are securities or money market instruments, financial indices, interest rates, exchange rates or currencies. These aim to use variations in the relevant markets to optimise yields through the use of the derivative financial instruments. The sub-fund may carry out transactions in options, financial futures, currency forwards and swaps to increase the value of the net sub-fund's assets. The sub-fund may also undertake the transactions stated above for hedging purposes. In contrast to conventional securities, the value of the relevant net sub-fund assets may be more strongly influenced – both positively and negatively – as a result of the accompanying leverage effect. The use of derivatives may produce a leverage effect on the Fund's assets. As a result of the use of derivatives, the total risk of the UCITS may at most be doubled. The overall risk of the UCITS is therefore limited to 200%. In contrast to conventional securities, the value of the relevant net sub-fund assets may be more strongly influenced – both positively and negatively – as a result of the accompanying leverage effect. Financial futures that are used for purposes other than hedging also entail significant opportunities and risks, because in each case, only a fraction of the contract principal (margin) must be paid immediately. Other information on the techniques and instruments can be taken from the "Notes on techniques and instruments" section in the Prospectus.

**Investor profile of the sub-fund PPF II ("PMG Partners Funds II") – Global Infrastructure Network Fund**

The sub-fund is aimed at investors who wish to participate in the performance of the “infrastructure sector” in view of their risk awareness and associated long-term investment horizon. Taking into account strong price fluctuations, investors should have yield expectations that go beyond the usual market interest level.

As a result of the Fund’s orientation towards the “infrastructure” sector, investors’ investments in the sub-fund should only be for “diversification” purposes in relation to their other assets. The investment horizon should be at least five years.

**Total risk**

The commitment approach is used as part of the risk management procedure to measure and monitor the total risk of the sub-fund. Under the commitment approach, the total risk of the derivatives in the Fund is measured, taking into account netting and hedging effects; this risk must not exceed the total net value of the Fund's portfolio.

To achieve this, under the commitment approach derivatives are converted into the market value or if necessary into a fictitious value of the assets to which the respective derivative relates ("underlying").



### **3.2. PPF II (“PMG Partners Funds II”) – Carnot Efficient Resources**

#### **Investment policy of the sub-fund PPF II (“PMG Partners Funds II”) – Carnot Efficient Resources**

The aim of the investment policy of PPF II (“PMG Partners Funds II”) – Carnot Efficient Resources (“sub-fund”) is to achieve a long-term capital increase. To do so, the Fund’s assets are invested in carefully selected equities and other equity securities traded on a stock exchange or other regulated market.

In order to achieve the investment objectives, at least two thirds of the sub-fund’s assets (after deducting cash) shall be invested in carefully selected equities and other equity securities of companies that develop, manufacture or market products, technologies or services that directly or indirectly enable the more efficient use of natural resources, lower resource consumption or reduce pollutant emissions. Natural resources include in particular all forms of energy, drinking water, agricultural land, raw materials and clean air.

The investment universe spans the global equity markets; however, emerging markets will make up no more than a third of the Fund’s assets.

The Fund should be a sustainable capital investment. For this reason, the companies in the investment universe and the industries to which they belong are analysed using ecological and social criteria. In a first step, the environmental and social risks of the industries are analysed and expressed in an industry rating. In a second step, the sustainability contribution of the individual companies in terms of environmental impact, social responsibility and good management are assessed. The lower the sustainability contribution of the relevant the industry, the higher the requirements for the respective companies.

In addition, this sub-fund may invest up to a quarter of its total assets (after deducting cash) in all other permissible assets worldwide.

Investments may be made in structured products with permissible underlying assets, provided these are securities as defined by Article 2 of the Grand-Ducal Regulation of 8 February 2008.

Units in UCITS or other UCIs may only be purchased up to a maximum limit of 10% of the sub-fund's assets.

At least 51% of the value of the Fund shall be invested in equity participations within the meaning of § 2 Section 8 of the German Investment Tax Act (for the definition of equity participations in this sense, see Article 4 No. 11 of the Management Regulations "Investment Tax Regulations").

In order to achieve the investment objectives stated above, the Fund shall use derivative financial instruments (“derivatives”), as well as techniques and instruments for both efficient portfolio management and hedging.

In addition, up to 100% of the sub-fund's assets may (temporarily) be held in bonds, money market instruments, structured products, fixed-term deposits and liquid funds within the statutorily permissible limits.

The sub-fund shall not undertake securities lending or securities repurchase agreements pursuant to Article 4 No. 7(b) and (c) of the Management Regulations.

#### **Implementation of the investment policy by the Fund Manager:**

When selecting equities, assessment indicators that take account of companies’ debt situation are used. Additional investment criteria include companies’ profitability and return on capital employed. These indicators are primarily based on past values, not future forecasts. In structuring the portfolio, attention is paid to the liquidity of the equities, with an emphasis on broad diversification in terms of themes, countries and trading currencies.

Precise information on the investment limits is contained in Article 4 of the Management Regulations.

The performance of the sub-fund is stated in the relevant “Key Information for Investors”.

**In principle, past performance is no guarantee for future performance. No assurance can be given that the objectives of the investment policy will be met.**

The sub-fund may use derivatives to hedge sub-fund assets against currency, price and interest rate risks, as well as the efficient management of sub-fund assets. The use of derivatives may include options on transferable securities and financial instruments, futures and swap transactions and combined transactions such as swaptions, which are traded on a stock exchange or other regulated market or conducted with financial institutions as stipulated in Article 4 No. 3(g) (“OTC derivatives”). If derivatives within the meaning of Article 4 No. 3. (g) of the Management Regulations are employed, the relevant investment restrictions contained in Article 4 of the Management Regulations must be observed. In addition, the provisions of Article 4 No. 8 concerning derivatives, Article 4 No. 9 concerning collateral and the reinvestment of collateral plus Article 4 No. 10 on risk management procedures for derivatives are to be followed.

### **Risk profile of the sub-fund PPF II (“PMG Partners Funds II”) – Carnot Efficient Resources**

Taking account of the circumstances and risks stated above, this sub-fund is associated with a comparatively high level of opportunities and risks.

With reference to the extensive equity-market orientation of the sub-fund, the following risks play a key role in particular: general market risk, company-specific risk, country and regional risk, credit risk, emerging markets risk, liquidity risk, country and transfer risks, custody risk, concentration risk, counterparty risk, risks for investments in target funds, default risks and currency risks. Additional risks are listed in the “Risk information” section of the Prospectus.

The Fund Manager endeavours to reduce the negative effects of these risks on the sub-fund’s value by diversifying its investments.

Although all possible measures are undertaken to achieve the sub-fund’s investment objectives, no assurance can be given that the investment objectives will be met.

For hedging purposes and to optimise yields, the sub-fund may also make use of derivative financial instruments (“derivatives”) within the limits set by Article 4 of the Management Regulations. The above-mentioned derivatives may be purchased if their underlying assets are securities or money market instruments, financial indices, interest rates, exchange rates or currencies. These aim to hedge against variations in the relevant markets or use them to optimise yields through the use of the derivative financial instruments. There are plans to undertake derivative transactions on a covered basis.

In contrast to conventional securities, the value of the relevant net sub-fund assets may be more strongly influenced – both positively and negatively – as a result of the accompanying leverage effect. The use of derivatives may produce a leverage effect on the Fund’s assets. As a result of the use of derivatives, the total risk of the UCITS may at most be doubled. The overall risk of the UCITS is therefore limited to 200%. Financial futures that are used for purposes other than hedging also entail significant opportunities and risks, because in each case, only a fraction of the contract principal (margin) must be paid immediately. Other information on the techniques and instruments can be taken from the “Notes on techniques and instruments” section in the Prospectus.

### **Investor profile for the sub-fund PPF II (“PMG Partners Funds II”) – Carnot Efficient Resources**

This sub-fund is suitable for investors who wish to participate in the economic performance of companies active in the field of the efficient use of natural resources. These investors are looking for a balanced, broad and diversified involvement in this market segment.

As a result of the investment in equities, an asset class that can be subject to extensive fluctuations in value, investors should have a medium to long-term investment horizon.

#### **Total risk**

The commitment approach is used as part of the risk management procedure to measure and monitor the total risk of the sub-fund. Under the commitment approach, the total risk of the derivatives in the Fund is measured, taking into account netting and hedging effects; this risk must not exceed the total net value of the Fund's portfolio.

To achieve this, under the commitment approach, derivatives are converted into the market value (or if necessary into a fictitious value of the assets), to which the respective derivative relates (“underlying”).

### **3.3. PPF II (“PMG Partners Funds II”) – Padma India Fund**

#### **Investment policy of the sub-fund PPF II (“PMG Partners Funds II”) – Padma India Fund**

The sub-fund’s investment objective is to achieve long-term capital appreciation by investing in assets in line with the investment limits specified in the Management Regulations.

In order to achieve this, at least two thirds of the sub-fund’s assets (after deducting cash) may be invested in equities or equity-like securities in companies whose registered office or main business activity is located in India or holding companies with a majority stake in companies with their registered office in India, as well as in international depository receipts (American depository receipts and global depository receipts) that relate to the companies stated above.

Investments may be made in structured products with permissible underlying assets, provided these are securities as defined by Article 2 of the Grand-Ducal Regulation of 8 February 2008.

Units in UCITS or other UCIs (“target funds”) may only be purchased up to a maximum limit of 10% of the sub-fund’s assets.

At least 51% of the value of the Fund shall be invested in equity participations within the meaning of § 2 Section 8 of the German Investment Tax Act (for the definition of equity participations in this sense, see Article 4 No. 11 of the Management Regulations "Investment Tax Regulations").

In order to achieve the investment objectives stated above, the Fund shall use derivative financial instruments (“derivatives”), as well as techniques and instruments for both efficient portfolio management and hedging.

In addition, depending on market conditions, up to 100% of the sub-fund’s assets may also, within legal limits, (temporarily) be held in bonds, money market instruments, structured products, fixed-term deposits and liquid assets.

Precise information on the investment limits is contained in Article 4 of the Management Regulations.

The performance of the sub-fund is stated in the relevant “Key Information for Investors”.

**In principle, past performance is no guarantee for future performance. No assurance can be given that the objectives of the investment policy will be met.**

The sub-fund may use derivatives to hedge sub-fund assets against currency, price and interest rate risks, as well as the efficient management of sub-fund assets. The use of derivatives may include options on transferable securities and financial instruments, futures and swap transactions and combined transactions such as swaptions, which are traded on a stock exchange or other regulated market or conducted with financial institutions as stipulated in Article 4 No. 3(g) (“OTC derivatives”). If derivatives within the meaning of Article 4 No. 3. (g) of the Management Regulations are employed, the relevant investment restrictions contained in Article 4 of the Management Regulations must be observed. In addition, the provisions of Article 4 No. 8 concerning derivatives, Article 4 No. 9 concerning collateral and the reinvestment of collateral plus Article 4 No. 10 on risk management procedures for derivatives are to be followed.

#### **Risk profile of the sub-fund PPF II (“PMG Partners Funds II”) – Padma India Fund**

Taking account of the circumstances and risks stated above, this sub-fund is associated with a comparatively high level of opportunities and risks, and may experience greater fluctuations in the net asset value per share.

With reference to the orientation of the sub-fund, the following risks play a key role in particular: general market risk, company-specific risk, country and regional risk (above all with regard to India), currency risks (above all with regard to the Indian rupee), credit and default risk, emerging markets risk, liquidity risk, transfer risks, custody risk, counterparty risk, risks for investments in target funds. Investments in smaller, less well-known companies involve higher risks and the possibility of higher price volatility as a result of the specific growth prospects of smaller companies, the low liquidity of the markets for such equities and the higher susceptibility of smaller companies to changes in the market. Additional risks are listed in the “Risk information” section of the Prospectus.

The Fund Manager endeavours to reduce the negative effects of these equity market risks on the sub-fund’s value by diversifying its investments.

Although all possible measures are undertaken to achieve the sub-fund’s investment objectives, no assurance can be given that the investment objectives will be met.

For hedging purposes and to increase the performance of the sub-fund’s net assets, the sub-fund may also make use of derivative financial instruments (“derivatives”) within the limits set by Article 4 of the Management Regulations. The above-mentioned derivatives may be purchased if their underlying assets are securities or money market instruments, financial indices, interest rates, exchange rates or currencies. These aim to use variations in the relevant

markets to optimise yields through the use of the derivative financial instruments. The sub-fund may carry out transactions in options, financial futures, currency forwards and swaps to increase the value of the net sub-fund's assets. The sub-fund may also undertake the transactions stated above for hedging purposes. In contrast to conventional securities, the value of the relevant net sub-fund assets may be more strongly influenced – both positively and negatively – as a result of the accompanying leverage effect. The use of derivatives may produce a leverage effect on the Fund's assets. As a result of the use of derivatives, the total risk of the UCITS may at most be doubled. The overall risk of the UCITS is therefore limited to 200%. In contrast to conventional securities, the value of the relevant net sub-fund assets may be more strongly influenced – both positively and negatively – as a result of the accompanying leverage effect. Financial futures that are used for purposes other than hedging also entail significant opportunities and risks, because in each case, only a fraction of the contract principal (margin) must be paid immediately.

#### **Investor profile for the sub-fund PPF II (“PMG Partners Funds II”) – Padma India Fund**

The Fund is suitable for investors with a long-term investment horizon who wish to participate in India's economic development and achieve above-average yields in the long-term. Due to its high level of equity investment in small and medium-sized companies, the currency risks and the risks associated with investing in emerging markets (in particular India), the Fund is only suitable for investors who can accept significant price fluctuations.

#### **Total risk**

The commitment approach is used as part of the risk management procedure to measure and monitor the total risk of the sub-fund. Under the commitment approach, the total risk of the derivatives in the Fund is measured, taking into account netting and hedging effects; this risk must not exceed the total net value of the Fund's portfolio. To achieve this, under the commitment approach derivatives are converted into the market value or if necessary into a fictitious value of the assets to which the respective derivative relates ("underlying").

### **3.4. PPF II (“PMG Partners Funds II”) – MRB High Yield Bond Fund**

#### **Investment policy of the sub-fund PPF II (“PMG Partners Funds II”) – MRB High Yield Bond Fund**

The investment objective of the sub-fund is primarily to generate the highest possible return in the reference currency, taking into account the stability of value.

For this purpose, the sub-fund predominantly invests worldwide in debt securities, bonds, notes, convertible bonds and similar short to medium-term fixed and floating-rate securities issued by governmental, public, private and public-private issuers, including high-yield securities.

The sub-fund may invest up to 10% of its assets in distressed securities. Active investment in distressed securities is not permitted. Securities are considered distressed securities when interest payments have been suspended and the market price of the debt security is less than 40% of the redemption price.

A maximum of 50% of the assets of the sub-fund may be invested in convertible bonds and convertible securities that are equivalent to convertible bonds. Investment in contingent convertible bonds (CoCos) is not permitted.

A maximum of 10% of the assets of the sub-fund may be invested in equities, other capital shares (cooperative shares, participation certificates) and profit-sharing certificates.

Investments may be made in structured products, such as securities, with permissible underlying assets, provided these are securities as defined by Article 2 of the Grand-Ducal Regulation of 8 February 2008.

Units in UCITS or other UCIs (“target funds”) may only be purchased up to a maximum limit of 10% of the sub-fund's assets.

In order to achieve the investment objectives stated above, the Fund shall use derivative financial instruments (“derivatives”), as well as techniques and instruments for both efficient portfolio management and hedging.

In addition, in accordance with market conditions, up to 100% of the sub-fund's assets may, within legal limits, also (temporarily) be held in bonds, money market instruments, fixed-term deposits and liquid funds.

Precise information on the investment limits is contained in Article 4 of the Management Regulations.

#### **Implementation of the investment policy by the Fund Manager:**

Using a systematic analytical approach oriented towards fundamentals and based on a detailed credit and sector analysis, the sub-fund invests in undervalued debt securities with short to medium duration. Undervalued debt securities are sought out and defined based on disciplined and long-term fundamental analysis. The investment range extends from low quality, high yield bonds, including distressed securities, to investment grade securities (including government securities). The sub-fund pursues a dynamic investment policy based on fundamental financial analysis criteria.

The performance of the sub-fund is stated in the relevant “Key Information for Investors”.

**In principle, past performance is no guarantee for future performance. No assurance can be given that the objectives of the investment policy will be met.**

The sub-fund may use derivatives to hedge sub-fund assets against currency, price and interest rate risks, as well as the efficient management of sub-fund assets. The use of derivatives may include options on transferable securities and financial instruments, futures and swap transactions and combined transactions such as swaptions, which are traded on a stock exchange or other regulated market or conducted with financial institutions as stipulated in Article 4 No. 3(g) (“OTC derivatives”). If derivatives within the meaning of Article 4 No. 3. (g) of the Management Regulations are employed, the relevant investment restrictions contained in Article 4 of the Management Regulations must be observed. In addition, the provisions of Article 4 No. 8 concerning derivatives, Article 4 No. 9 concerning collateral and the reinvestment of collateral plus Article 4 No. 10 on risk management procedures for derivatives are to be followed.

#### **Risk profile of the sub-fund PPF II (“PMG Partners Funds II”) – MRB High Yield Bond Fund**

Taking account of the circumstances and risks stated above, this sub-fund is associated with a comparatively high level of opportunities and risks, and may experience greater fluctuations in the net asset value per share.

With reference to the orientation of the sub-fund, the following risks play a key role in particular: credit and default risk in relation to high-yield investments, general market risk, company-specific risks, country and regional risk, currency risk, emerging market risks, liquidity risk, transfer risks, custody risk, counterparty risk, and risks for investments in target funds. The securities of the sub-fund may be from low-quality debtors, i.e. those that are not rated or have a rating belonging to the non-investment grade segment, and even to a certain degree those belonging to

the distressed securities segment. Such investments typically have higher returns, but have greater credit risk than investments in investment grade bonds. Additional risks are listed in the “Risk information” section of the Prospectus.

The Fund Manager endeavours to reduce the negative effects of these investment-specific risks on the sub-fund’s value by diversifying its investments.

Although all possible measures are undertaken to achieve the sub-fund’s investment objectives, no assurance can be given that the investment objectives will be met.

For hedging purposes and to increase the performance of the sub-fund’s net assets, the sub-fund may also make use of derivative financial instruments (“derivatives”) within the limits set by Article 4 of the Management Regulations. The above-mentioned derivatives may be purchased if their underlying assets are securities or money market instruments, financial indices, interest rates, exchange rates or currencies. These aim to use variations in the relevant markets to optimise yields through the use of the derivative financial instruments. The sub-fund may carry out transactions in options, financial futures, currency forwards and swaps to increase the value of the net sub-fund’s assets. The sub-fund may also undertake the transactions stated above for hedging purposes. In contrast to conventional securities, the value of the relevant net sub-fund assets may be more strongly influenced – both positively and negatively – as a result of the accompanying leverage effect. The use of derivatives may produce a leverage effect on the Fund’s assets. As a result of the use of derivatives, the total risk of the UCITS may at most be doubled. The total risk of the UCITS is therefore limited to 200%. In contrast to conventional securities, the value of the relevant net sub-fund assets may be more strongly influenced – both positively and negatively – as a result of the accompanying leverage effect. Financial futures that are used for purposes other than hedging also entail significant opportunities and risks, because in each case, only a fraction of the contract principal (margin) must be paid immediately.

#### **Investor profile of the sub-fund PPF II (“PMG Partners Funds II”) – MRB High Yield Bond Fund**

The Fund is suitable for retail and institutional investors who want to participate in the performance of the global capital markets in the high-yield sector in order to pursue their specific investment objectives. Due to the investments in high yield bonds and the long-term investment strategy, investors must have significantly greater risk tolerance and a longer investment horizon than for an average bond fund with investments mainly in the investment grade segment.

#### **Total risk**

The commitment approach is used as part of the risk management procedure to measure and monitor the total risk of the sub-fund. Under the commitment approach, the total risk of the derivatives in the Fund is measured, taking into account netting and hedging effects; this risk must not exceed the total net value of the Fund's portfolio.

To achieve this, under the commitment approach derivatives are converted into the market value or if necessary into a fictitious value of the assets to which the respective derivative relates (“underlying”).

### **3.5. PPF II (“PMG Partners Funds II”) – PA Stabilized European Dividend Income Fund**

#### **Investment policy of the sub-fund PPF II (“PMG Partners Funds II”) – PA Stabilized European Dividend Income Fund**

The objective of the investment policy of PPF II (“PMG Partners Funds II”) – PA Stabilized European Dividend Income Fund (the “sub-fund”) is to achieve an appropriate value increase in the sub-fund currency whilst accounting for investment risk.

The investment process pursues a three-step bottom-up approach. In the first step, the investment universe is narrowed to companies with a particularly attractive dividend profile. The selection is then further refined by taking into account additional quantitative criteria (valuation, momentum, quality, growth and other factors) in addition to a qualitative assessment. In the third step, the overall risk to be entered into is managed and narrowed on the basis of market stability indicators as part of portfolio construction. Derivatives (futures and options) on equity indices and individual equities may be used to hedge market risks. The sub-fund’s exposure to equity market risks is generally at least 50%, but may temporarily also be lower than that if hedging transactions are entered into.

This sub-fund invests at least 51% of its total assets (after deducting cash) directly or indirectly in equities and equity-equivalent securities of companies whose registered office or main business activity is located in Europe.

In addition, this sub-fund may invest up to one third of its total assets (after deducting cash) in all other permissible assets worldwide.

The performance of the sub-fund is stated in the relevant “Key Information for Investors”.

Investments may be made in structured products, such as securities, with permissible underlying assets, provided these are securities as defined by Article 2 of the Grand-Ducal Regulation of 8 February 2008.

Units in UCITS or other UCIs (“target funds”) may only be purchased up to a maximum limit of 10% of the sub-fund’s assets.

At least 51% of the value of the Fund shall be invested in equity participations within the meaning of § 2 Section 8 of the German Investment Tax Act (for the definition of equity participations in this sense, see Article 4 No. 11 of the Management Regulations “Investment Tax Regulations”).

In order to achieve the investment objectives stated above, the Fund shall use derivative financial instruments (“derivatives”), as well as techniques and instruments for both efficient portfolio management and hedging.

In addition, in exceptional cases, up to 100% of the sub-fund’s assets may, within the legal limits, also (temporarily) be held in bonds, money market instruments, structured products, fixed-term deposits and liquid assets.

Precise information on the investment limits is contained in Article 4 of the Management Regulations.

**In principle, past performance is no guarantee for future performance. No assurance can be given that the objectives of the investment policy will be met.**

The sub-fund may use derivatives to hedge sub-fund assets against currency, price and interest rate risks, as well as the efficient management of sub-fund assets. The use of derivatives may include options on transferable securities and financial instruments, futures and swap transactions and combined transactions such as swaptions, which are traded on a stock exchange or other regulated market or conducted with financial institutions as stipulated in Article 4 No. 3(g) (“OTC derivatives”). If derivatives within the meaning of Article 4 No. 3. (g) of the Management Regulations are employed, the relevant investment restrictions contained in Article 4 of the Management Regulations must be observed. In addition, the provisions of Article 4 No. 8 concerning derivatives, Article 4 No. 9 concerning collateral and the reinvestment of collateral plus Article 4 No. 10 on risk management procedures for derivatives are to be followed.

#### **Risk profile of the sub-fund PPF II (“PMG Partners Funds II”) – PA Stabilized European Dividend Income Fund**

Taking account of the circumstances and risks stated above, this sub-fund is associated with a comparatively high level of opportunities and risks.

With reference to the extensive equity-market orientation of the sub-fund, the following risks play a key role in particular: general market risk, company-specific risk, country and regional risk, credit risk, emerging markets risk, liquidity risk, country and transfer risks, custody risk, concentration risk, counterparty risk, risks for investments in target funds, default risks and currency risks. Additional risks are listed in the “Risk information” section of the Prospectus.

The Fund Manager endeavours to reduce the negative effects of these risks on the sub-fund's value by diversifying its investments.

Although all possible measures are undertaken to achieve the sub-fund's investment objectives, no assurance can be given that the investment objectives will be met.

For hedging purposes and to increase the performance of the sub-fund's net assets, the sub-fund may also make use of derivative financial instruments ("derivatives") within the limits set by Article 4 of the Management Regulations. The above-mentioned derivatives may be purchased if their underlying assets are securities or money market instruments, financial indices, interest rates, exchange rates or currencies. These aim to use variations in the relevant markets to optimise yields through the use of the derivative financial instruments. The sub-fund may carry out transactions in options, financial futures, currency forwards and swaps to increase the value of the net sub-fund's assets. The sub-fund may also undertake the transactions stated above for hedging purposes. In contrast to conventional securities, the value of the relevant net sub-fund assets may be more strongly influenced – both positively and negatively – as a result of the accompanying leverage effect. The use of derivatives may produce a leverage effect on the Fund's assets. As a result of the use of derivatives, the total risk of the UCITS may at most be doubled. The total risk of the UCITS is therefore limited to 200%. In contrast to conventional securities, the value of the relevant net sub-fund assets may be more strongly influenced – both positively and negatively – as a result of the accompanying leverage effect. Financial futures that are used for purposes other than hedging also entail significant opportunities and risks, because in each case, only a fraction of the contract principal (margin) must be paid immediately.

#### **Investor profile of the sub-fund PPF II ("PMG Partners Funds II") – PA Stabilized European Dividend Income Fund**

This sub-fund is suitable for investors who want to participate in the economic performance of companies in Europe. These investors are looking for a balanced, broad and diversified involvement in this market segment.

As a result of the investment in equities, an asset class that can be subject to extensive fluctuations in value, investors should have a medium to long-term investment horizon.

#### **Total risk**

The commitment approach is used as part of the risk management procedure to measure and monitor the total risk of the sub-fund. Under the commitment approach, the total risk of the derivatives in the Fund is measured, taking into account netting and hedging effects; this risk must not exceed the total net value of the Fund's portfolio.

To achieve this, under the commitment approach derivatives are converted into the market value or if necessary into a fictitious value of the assets to which the respective derivative relates ("underlying").



### **3.6. PPF II (“PMG Partners Funds II”) – Kingwest US Equity Fund**

#### **Investment policy of the sub-fund PPF II (“PMG Partners Funds II”) – Kingwest US Equity Fund**

The objective of the investment policy of PPF II (“PMG Partners Funds II”) – Kingwest US Equity Fund (the “sub-fund”) is to achieve long-term capital appreciation by investing in assets in line with the investment limits specified in the Management Regulations. To this end, the sub-fund invests in shares of companies listed on a US stock exchange, including NASDAQ.

In order to achieve the investment objective, at least two-thirds of the sub-fund’s assets (after deducting cash) will be invested in carefully selected equities and other equity securities in companies listed on a US stock exchange.

In addition, this sub-fund may invest up to one third of its total assets (after deducting cash) globally in all other permissible assets.

Investments may be made in structured products with permissible underlying assets, provided these are securities as defined by Article 2 of the Grand-Ducal Regulation of 8 February 2008.

Units in UCITS or other UCIs may only be purchased up to a maximum limit of 10% of the sub-fund's assets.

At least 51% of the value of the Fund shall be invested in equity participations within the meaning of § 2 Section 8 of the German Investment Tax Act (for the definition of equity participations in this sense, see Article 4 No. 11 of the Management Regulations "Investment Tax Regulations").

In order to achieve the investment objectives stated above, the Fund shall use derivative financial instruments (“derivatives”), as well as techniques and instruments for both efficient portfolio management and hedging.

In addition, depending on market conditions, up to 100% of the sub-fund’s assets may also, within legal limits, (temporarily) be held in bonds, money market instruments, structured products, fixed-term deposits and liquid assets.

#### **Implementation of the investment policy by the Fund Manager:**

When selecting equities, companies’ profitability and return on capital employed are used as investment criteria. These indicators are primarily based on past values, not future forecasts. Companies’ debt situation is also taken into account. In structuring the portfolio, attention is paid to the liquidity of the equities. The portfolio is relatively concentrated, but is diversified across several sectors.

Precise information on the investment limits is contained in Article 4 of the Management Regulations.

The performance of the sub-fund is stated in the relevant “Key Information for Investors”.

**In principle, past performance is no guarantee for future performance. No assurance can be given that the objectives of the investment policy will be met.**

The sub-fund may use derivatives to hedge sub-fund assets against currency, price and interest rate risks, as well as the efficient management of sub-fund assets. The use of derivatives may include options on transferable securities and financial instruments, futures and swap transactions and combined transactions such as swaptions, which are traded on a stock exchange or other regulated market or conducted with financial institutions as stipulated in Article 4 No. 3(g) (“OTC derivatives”). If derivatives within the meaning of Article 4 No. 3. (g) of the Management Regulations are employed, the relevant investment restrictions contained in Article 4 of the Management Regulations must be observed. In addition, the provisions of Article 4 No. 8 concerning derivatives, Article 4 No. 9 concerning collateral and the reinvestment of collateral plus Article 4 No. 10 on risk management procedures for derivatives are to be followed.

#### **Risk profile of the sub-fund PPF II (“PMG Partners Funds II”) – Kingwest US Equity Fund**

Taking account of the circumstances and risks stated above, this sub-fund is associated with a comparatively high level of opportunities and risks.

With reference to the extensive equity-market orientation of the sub-fund, the following risks play a key role in particular: general market risk, company-specific risk, country and regional risk, credit risk, liquidity risk, country and transfer risks, custody risk, concentration risk, counterparty risk, risks for investments in target funds, default risks and currency risks. Additional risks are listed in the “Risk information” section of the Prospectus.

The Fund Manager endeavours to reduce the negative effects of these risks on the sub-fund’s value by diversifying its investments.

Although all possible measures are undertaken to achieve the sub-fund’s investment objectives, no assurance can be given that the investment objectives will be met.

For hedging purposes and to optimise yields, the sub-fund may also make use of derivative financial instruments (“derivatives”) within the limits set by Article 4 of the Management Regulations. The above-mentioned derivatives may be purchased if their underlying assets are securities or money market instruments, financial indices, interest rates, exchange rates or currencies. These aim to hedge against variations in the relevant markets or use them to optimise yields through the use of the derivative financial instruments. There are plans to undertake derivative transactions on a covered basis.

In contrast to conventional securities, the value of the relevant net sub-fund assets may be more strongly influenced – both positively and negatively – as a result of the accompanying leverage effect. The use of derivatives may produce a leverage effect on the Fund’s assets. As a result of the use of derivatives, the total risk of the UCITS may at most be doubled. The overall risk of the UCITS is therefore limited to 200%. Financial futures that are used for purposes other than hedging also entail significant opportunities and risks, because in each case, only a fraction of the contract principal (margin) must be paid immediately. Other information on the techniques and instruments can be taken from the “Notes on techniques and instruments” section in the Prospectus.

#### **Investor profile for the sub-fund PPF II (“PMG Partners Funds II”) – Kingwest US Equity Fund**

This sub-fund is suitable for investors who wish to participate in the economic performance of companies listed on a US stock exchange. These investors are looking for a balanced, broad and diversified involvement in this market segment.

As a result of the investment in equities, an asset class that can be subject to extensive fluctuations in value, investors should have a medium to long-term investment horizon.

#### **Total risk**

The commitment approach is used as part of the risk management procedure to measure and monitor the total risk of the sub-fund. Under the commitment approach, the total risk of the derivatives in the Fund is measured, taking into account netting and hedging effects; this risk must not exceed the total net value of the Fund's portfolio.

To achieve this, under the commitment approach, derivatives are converted into the market value (or if necessary into a fictitious value of the assets), to which the respective derivative relates (“underlying”).

### **3.7. PPF II (“PMG Partners Funds II”) – Culross Global Macro Fund**

#### **Investment policy of the sub-fund PPF II (“PMG Partners Funds II”) – Culross Global Macro Fund**

The objective of the investment policy of PPF II (“PMG Partners Funds II”) – Culross Global Macro Fund (the “sub-fund”) is to achieve a positive performance by investing in assets in line with the investment limits specified in the Management Regulations and thus generate attractive absolute and risk-adjusted returns in the medium term. To this end, the sub-fund invests worldwide in a broadly diversified portfolio of investment funds.

In order to achieve the investment objective, the sub-fund indirectly invests the majority of its assets (after deducting cash) in carefully selected investment funds that pursue different strategic themes (e.g. sector value, long/short, arbitrage and volatility strategies, and discretionary and quantitative macrostrategies).

In addition, this sub-fund may invest up to one third of its total assets (after deducting cash) globally in all other permissible assets.

Investments may be made in structured products with permissible underlying assets, provided these are securities as defined by Article 2 of the Grand-Ducal Regulation of 8 February 2008.

Units in UCITS or other UCIs (“target funds”) may be purchased without limitation; **the sub-fund is therefore not eligible as a target fund.**

In order to achieve the investment objectives stated above, the Fund shall use derivative financial instruments (“derivatives”), as well as techniques and instruments for both efficient portfolio management and hedging.

In addition, depending on market conditions, up to 100% of the sub-fund’s assets may also, within legal limits, (temporarily) be held in bonds, money market instruments, structured products, fixed-term deposits and liquid assets.

#### **Implementation of the investment policy by the Fund Manager:**

The PPF II – Culross Global Macro Fund is an unlimited, benchmark agnostic fund for investment funds and/or exchange-traded funds. The investment strategy is supported by a macroeconomic research approach. The fund manager tracks global economic trends and attempts to exploit macroeconomic imbalances and geopolitical events.

Precise information on the investment limits is contained in Article 4 of the Management Regulations.

The performance of the sub-fund is stated in the relevant “Key Information for Investors”.

**In principle, past performance is no guarantee for future performance. No assurance can be given that the objectives of the investment policy will be met.**

The sub-fund may use derivatives to hedge sub-fund assets against currency, price and interest rate risks, as well as the efficient management of sub-fund assets. The use of derivatives may include options on transferable securities and financial instruments, futures and swap transactions and combined transactions such as swaptions, which are traded on a stock exchange or other regulated market or conducted with financial institutions as stipulated in Article 4 No. 3(g) (“OTC derivatives”). If derivatives within the meaning of Article 4 No. 3. (g) of the Management Regulations are employed, the relevant investment restrictions contained in Article 4 of the Management Regulations must be observed. In addition, the provisions of Article 4 No. 8 concerning derivatives, Article 4 No. 9 concerning collateral and the reinvestment of collateral plus Article 4 No. 10 on risk management procedures for derivatives are to be followed.

#### **Risk profile of the sub-fund PPF II (“PMG Partners Funds II”) – Culross Global Macro Fund**

Taking account of the circumstances and risks stated above, this sub-fund is associated with a comparatively high level of opportunities and risks.

With reference to the orientation of the sub-fund, the following risks play a key role in particular: interest rate risk, general market risk, company-specific risk, country and regional risk, credit risk, emerging markets risk, liquidity risk, country and transfer risks, custody risk, concentration risk, counterparty risk, risks for investments in target funds, default risks and currency risks. Additional risks are listed in the “Risk information” section of the Prospectus.

Although all possible measures are undertaken to achieve the sub-fund’s investment objectives, no assurance can be given that the investment objectives will be met.

For hedging purposes and to optimise yields, the sub-fund may also make use of derivative financial instruments (“derivatives”) within the limits set by Article 4 of the Management Regulations. The above-mentioned derivatives may be purchased if their underlying assets are securities or money market instruments, financial indices, interest rates, exchange rates or currencies. These aim to hedge against variations in the relevant markets or use them to

optimise yields through the use of the derivative financial instruments. There are plans to undertake derivative transactions on a covered basis.

In contrast to conventional securities, the value of the relevant net sub-fund assets may be more strongly influenced – both positively and negatively – as a result of the accompanying leverage effect. The use of derivatives may produce a leverage effect on the Fund's assets. As a result of the use of derivatives, the total risk of the UCITS may at most be doubled. The overall risk of the UCITS is therefore limited to 200%. Financial futures that are used for purposes other than hedging also entail significant opportunities and risks, because in each case, only a fraction of the contract principal (margin) must be paid immediately. Other information on the techniques and instruments can be taken from the "Notes on techniques and instruments" section in the Prospectus.

**Investor profile for the sub-fund PPF II ("PMG Partners Funds II") – Culross Global Macro Fund**

The sub-fund's assets are suitable for investors with a long-term investment horizon who mainly seek long-term, risk-adjusted appreciation of the invested capital.

**Total risk**

The commitment approach is used as part of the risk management procedure to measure and monitor the total risk of the sub-fund. Under the commitment approach, the total risk of the derivatives in the Fund is measured, taking into account netting and hedging effects; this risk must not exceed the total net value of the Fund's portfolio.

To achieve this, under the commitment approach, derivatives are converted into the market value (or if necessary into a fictitious value of the assets), to which the respective derivative relates ("underlying").

### **3.9. PPF II (“PMG Partners Funds II”) – SMAG Global Equity Fund**

#### **Investment policy of the sub-fund PPF II (“PMG Partners Funds II”) – SMAG Global Equity Fund**

The aim of the investment policy of PPF II (“PMG Partners Funds II”) – SMAG Global Equity Fund (the “sub-fund”) is to achieve appreciation from capital gains by investing in assets in line with the investment limits specified in the Management Regulations. To do so, the sub-fund invests worldwide in equities and other participation certificates traded on a stock exchange or other regulated market.

In order to achieve the investment objective, at least 51% of the sub-fund’s assets (after deducting cash) will be invested in carefully selected equities and other equity securities of companies worldwide.

In addition, this sub-fund may invest up to one third of its total assets (after deducting cash) globally in all other permissible assets.

Investments may be made in structured products with permissible underlying assets, provided these are securities as defined by Article 2 of the Grand-Ducal Regulation of 8 February 2008.

Units in UCITS or other UCIs may only be purchased up to a maximum limit of 10% of the sub-fund's assets.

At least 51% of the value of the Fund shall be invested in equity participations within the meaning of § 2 Section 8 of the German Investment Tax Act (for the definition of equity participations in this sense, see Article 4 No. 11 of the Management Regulations "Investment Tax Regulations").

In order to achieve the investment objectives stated above, the Fund shall use derivative financial instruments (“derivatives”), as well as techniques and instruments for both efficient portfolio management and hedging.

In addition, depending on market conditions, up to 100% of the sub-fund’s assets may also, within legal limits, (temporarily) be held in bonds, money market instruments, structured products, fixed-term deposits and liquid assets.

#### **Implementation of the investment policy by the Fund Manager:**

Securities are selected from a pre-defined, periodically reviewed universe of global large-cap companies on the basis of a quantitative analysis that uses the market price over time. In order to diversify investments, the universe includes different countries, themes and sectors. Portfolio construction is balanced and the equities in the universe are highly liquid so that they can always be sold immediately. As part of the risk management process and to ensure efficient portfolio management, equity exposure may be hedged ad-hoc based on quantitative analyses of market conditions, using financial futures, contracts for difference (CFDs), swaps and options. Foreign exchange risks inherent in investments may be hedged using forward exchange contracts.

Precise information on the investment limits is contained in Article 4 of the Management Regulations.

The performance of the sub-fund is stated in the relevant “Key Information for Investors”.

**In principle, past performance is no guarantee for future performance. No assurance can be given that the objectives of the investment policy will be met.**

The sub-fund may use derivatives to hedge sub-fund assets against currency, price and interest rate risks, as well as the efficient management of sub-fund assets. The use of derivatives may include options on transferable securities and financial instruments, futures and swap transactions and combined transactions such as swaptions, which are traded on a stock exchange or other regulated market or conducted with financial institutions as stipulated in Article 4 No. 3(g) (“OTC derivatives”). If derivatives within the meaning of Article 4 No. 3. (g) of the Management Regulations are employed, the relevant investment restrictions contained in Article 4 of the Management Regulations must be observed. In addition, the provisions of Article 4 No. 8 concerning derivatives, Article 4 No. 9 concerning collateral and the reinvestment of collateral plus Article 4 No. 10 on risk management procedures for derivatives are to be followed.

#### **Risk profile of the sub-fund PPF II (“PMG Partners Funds II”) – SMAG Global Equity Fund**

Taking account of the circumstances and risks stated above, this sub-fund is associated with a comparatively high level of opportunities and risks.

With reference to the extensive equity-market orientation of the sub-fund, the following risks play a key role in particular: general market risk, company-specific risk, country and regional risk, credit risk, liquidity risk, country and transfer risks, custody risk, concentration risk, counterparty risk, risks for investments in target funds, default risks and currency risks. Additional risks are listed in the “Risk information” section of the Prospectus.

The Fund Manager endeavours to reduce the negative effects of these risks on the sub-fund's value by diversifying its investments.

Although all possible measures are undertaken to achieve the sub-fund's investment objectives, no assurance can be given that the investment objectives will be met.

For hedging purposes and to optimise yields, the sub-fund may also make use of derivative financial instruments ("derivatives") within the limits set by Article 4 of the Management Regulations. The above-mentioned derivatives may be purchased if their underlying assets are securities or money market instruments, financial indices, interest rates, exchange rates or currencies. These aim to hedge against variations in the relevant markets or use them to optimise yields through the use of the derivative financial instruments. There are plans to undertake derivative transactions on a covered basis.

In contrast to conventional securities, the value of the relevant net sub-fund assets may be more strongly influenced – both positively and negatively – as a result of the accompanying leverage effect. The use of derivatives may produce a leverage effect on the Fund's assets. As a result of the use of derivatives, the total risk of the UCITS may at most be doubled. The overall risk of the UCITS is therefore limited to 200%. Financial futures that are used for purposes other than hedging also entail significant opportunities and risks, because in each case, only a fraction of the contract principal (margin) must be paid immediately. Other information on the techniques and instruments can be taken from the "Notes on techniques and instruments" section in the Prospectus.

#### **Investor profile for the sub-fund PPF II ("PMG Partners Funds II") – SMAG Global Equity Fund**

This sub-fund is suitable for investors who want to participate in the economic performance of large-cap companies. These investors are looking for a balanced, broad and diversified involvement in this market segment.

As a result of the investment in equities, an asset class that can be subject to extensive fluctuations in value, investors should have a medium to long-term investment horizon.

#### **Total risk**

The commitment approach is used as part of the risk management procedure to measure and monitor the total risk of the sub-fund. Under the commitment approach, the total risk of the derivatives in the Fund is measured, taking into account netting and hedging effects; this risk must not exceed the total net value of the Fund's portfolio.

To achieve this, under the commitment approach, derivatives are converted into the market value (or if necessary into a fictitious value of the assets), to which the respective derivative relates ("underlying").



#### **4. The Management Company**

The Management Company LRI Capital Management SA was established on 23 January 1989 for an indefinite period as a public limited company under Luxembourg law. Its registered office is at 9A, rue Gabriel Lippmann, L-5365 Munsbach. The Management Company's Articles of Association were published in Mémorial C, *Recueil des Sociétés et Associations* (the "Mémorial") on 1 June 1989 and were filed with the Trade and Companies Register of the District Court of Luxembourg. The Management Company operated under the name WARBURG INVEST LUXEMBOURG S.A. until 31 January 2019 and Augeo Capital Management SA until 29 April 2019.

The Articles of Association of the Management Company were last amended by a shareholders' decision of 26 April 2019. A consolidated version of the Articles of Association was filed with the Trade and Companies Register of the District Court of Luxembourg and notification of this was published in the Recueil Electronique des Sociétés et Associations (RESA) on 14 May 2019.

The Management Company is recorded in the Trade and Companies Register of the District Court of Luxembourg under number B 29.905.

The object of the company is to set up and manage Luxembourg-based and/or foreign undertakings for collective investment, including on a cross-border basis under the scope of the freedom to provide services and freedom of establishment within the European Economic Area. These undertakings for collective investment include

- undertakings for collective investment in transferable securities ("UCITS") pursuant to Directive 2009/65/EC, implemented in Luxembourg in Part I of the Law of 17 December 2010 and
- all types of Alternative Investment Funds ("AIF") pursuant to Directive 2011/61/EU implemented in Luxembourg by the Law of 12 July 2013 on Alternative Investment Fund Managers ("the Law of 12 July 2013") and
- other undertakings for collective investment ("UCI") which do not fall under the scope of the abovementioned directives or laws and for which the company is subject to supervision, but whose units cannot be distributed in other Member States of the European Union under the laws mentioned.

The company may carry out any transactions necessary or beneficial for promoting the distribution of such shares and/or units in Luxembourg and/or abroad and for setting up and managing these UCITS, UCIs or AIFs. The management of Luxembourg-based and foreign UCITS, UCIs and AIFs includes in particular investment management (portfolio management and/or risk management) and/or additional activities regarding administration and/or distribution and/or activities relating to assets of UCITS, UCIs and AIFs.

The Management Company has adequate and appropriate organisational structures and internal control mechanisms in accordance with the Law of 2010 and the applicable administrative provisions of the CSSF.

#### **Appointment of the Depositary and delegation of safekeeping**

1. The Management Company uses a decision-making process for choosing and appointing the Depositary that is based on objective pre-defined criteria and serves the sole interests of the Fund and its investors.
2. A group link exists between the Management Company and the Depositary European Depositary Bank SA. Both belong to Apex Group. In this context, the Management Company keeps documentary evidence of the following:
  - a) An assessment comparing the merits of appointing a Depositary with a link or a group link with the merits of appointing a Depositary which has no link or no group link with the Management Company or the investment company, taking into account at least the costs, the expertise, financial standing and the quality of services provided by all depositaries assessed
  - b) A report, based on the assessment referred to in point (a), describing the way in which the appointment meets the objective pre-defined criteria referred to in paragraph 1 and is made in the sole interest of the Fund and its investors
3. The Management Company shall demonstrate to the competent authority of the Fund Member State that it is satisfied with the appointment of the Depositary and that the appointment is in the sole interest of the Fund and its investors. The Management Company shall make the documentary evidence referred to in paragraph 1 available to the competent authority of the Fund Member State.
4. The Management Company shall justify to investors of the Fund, upon request, the choice of the Depositary.
5. The Depositary employs a decision-making process for choosing third parties to whom it may delegate the safekeeping functions in accordance with Article 22a of Directive 2009/65/EC, which are based on objective pre-defined criteria and meet the sole interest of the Fund and its investors.

#### **Potential conflicts of interest between the Management Company and the Depositary**



The Management Company LRI Capital Management SA and European Depositary Bank SA belong to the Apex Group. Conflicts of interest could arise due to the commissioning of closely affiliated companies.

In the context of the group link, the Management Company and the Depositary employ policies and procedures ensuring that they:

- a) Identify all conflicts of interest arising from that link
- b) Take all reasonable steps to avoid those conflicts of interest

These potential conflicts of interest are avoided, not least through the functional and hierarchical separation of the two parties.

Where a conflict of interest referred to in the first subparagraph cannot be avoided, the Management Company and the Depositary manage, monitor and disclose that conflict of interest in order to prevent adverse effects on the interests of the Fund and of its investors.

The conflicts of interest potentially arising from the delegation of functions are also described in the policies on managing conflicts of interest.

#### **Basic procedure to be adopted where conflicts of interest arise**

The Management Company shall fundamentally check the existence of potential conflicts of interest before starting a new activity for a Fund or assigning an activity to a service provider. Changes of activities or remuneration for activities may give rise to conflicts of interest and shall be duly checked.

Where potential conflicts of interest are found, they must be notified to the compliance department of the Management Company. The compliance department shall address the conflict of interest in the interests of investors. In that regard, the compliance department has hierarchical independence and, in accordance with the Compliance Charter and compliance policy of the companies, may not act with responsibility for the day-to-day business of the company. The compliance department may approach the Executive Board and/or Supervisory Board directly with its findings on conflicts of interest and other findings on issues relating to the investors, the Fund or the respective company. In addition to mandatory reporting to the compliance department, staff from other departments are fundamentally also given this option where conflicts of interest arise.

If the compliance department or the Executive Board or the Supervisory Board of the Management Company comes to the conclusion that there is a conflict of interest which cannot be prevented by contractual or organisational measures, this shall then be disclosed to the relevant investors. The disclosure shall be made by the company voluntarily and without delay either in writing or by publication on the website of the Management Company at <https://lri-capital.lu/wir-ueber-uns/corporate-governance/>. The relevant notification or publication shall be sufficiently detailed to give the investor a clear view of the conflict. All conflicts of interest known at the time of preparation of the Prospectus shall be detailed in the current version of the Prospectus, new conflicts of interest shall be entered in the next update.

Extracts from the policy on managing conflicts of interest can be found on the website of the Management Company at <https://lri-capital.lu/wir-ueber-uns/corporate-governance/>. The detailed policy can also be requested from the Management Company and shall be provided free of charge electronically or on hard copy.

#### **Remuneration policy of the Management Company**

The Management Company has a remuneration policy and practice which complies with the statutory requirements and adopts such requirements. It is compatible with and conducive to the risk management procedure determined by the Management Company and countenances neither the assumption of risks that are inconsistent with the risk profiles, the information in the relevant prospectus and Management Regulations, nor prevents the Management Company from duly acting in the best interests of the Fund and its investors.

The remuneration policy is consistent with the business strategy, objectives, values and interests of the Management Company and the funds managed by it and the interests of investors of those funds, and includes measures to prevent conflicts of interest.

The assessment of performance is set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund managed by the Management Company in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks and that the actual payment of performance-based components of remuneration is spread over the same period.

The remuneration policy and practice includes fixed and variable components of salaries and discretionary pension benefits.

The fixed and variable components of total remuneration are appropriately balanced and the proportion of the fixed component of total remuneration is sufficiently high to offer full flexibility in terms of variable remuneration as well

as the possibility to pay no variable remuneration component. The pension scheme is in line with the business strategy, the objectives, values and long-term interests of the Management Company and the funds managed by it.

A description of the composition of the remuneration policy and practices of the Management Company, the handling of fixed and variable remuneration, including the composition of the remuneration committee, if there is such a committee, is available in extracts from <https://lri-capital.lu/wir-ueber-uns/corporate-governance/> and is available upon request to investors free of charge in electronic form or in hard copy.

#### **Appointment of investment managers and investment consultants**

In order to achieve the investment objectives of the respective sub-fund, the Management Company may appoint independent investment managers or investment advisors under its control and responsibility, and entrust them with the daily investment decisions of the various sub-funds.

#### **Funds under management**

The Management Company manages the following funds:

ALTIS Fund, BSF - Global Balance, Anarosa Funds (Lux), Challenger Global Fonds, CHART HIGH VALUE / YIELD FUND, Degussa Bank WorksitePartner Fonds, Lux Alternative, Morgenstern Balanced Fund, MPF Aktien Strategie Europa, MPF Aktien Strategie Global, MPF Aktien Strategie Total Return, MPF Aktien Strategie Zertifikate, MPF Renten Strategie Basis, MPF Renten Strategie Chance, MPF Renten Strategie Plus, MPF Sino, MPF Struktur Aktien, MPF Struktur Balance, MPF Struktur Renten Fonds, KSAM Einkommen Aktiv, M.M.Warburg Structured Equity Invest, PPF II ("PMG Partners Fund II"), Reichmuth & Co Fonds, RP Global Market Selection, Target Global, WARBURG - L - FONDS, WARBURG VALUE FUND as well as Specialised Investment Funds governed by the Law of 13 February 2007 on Specialised Investment Funds, as amended.

## **5. The Depositary**

Sole Depositary of the Fund is European Depositary Bank SA with registered office at in 3, rue Gabriel Lippmann, L -5365 Munsbach. The Depositary is a public limited liability company under the law of the Grand Duchy of Luxembourg and conducts banking business. The rights and obligations of the Depositary comply with the Law of 17 December 2010, the Custodian Agreement, this Prospectus and these Management Regulations.

In performing its functions, the Depositary shall act honestly, fairly, professionally, independently and in the interest of the Fund and its investors.

The Depositary shall not perform any functions with regard to the Fund or the Management Company acting on behalf of the Fund that may create conflicts of interest between the Fund, the investors of the Fund, the Management Company as well as the agents of the Depositary and itself. This does not apply unless the Depositary has functionally and hierarchically separated the performance of its Depositary functions from its other potentially conflicting functions and the potential conflicts of interest are duly identified, managed, monitored and disclosed to the investors of the Fund.

All information regarding the identity of the Depositary of the Fund, its obligations, conflicts of interest that may arise, the description of any safekeeping functions delegated by the Depositary and a list of sub-custodians, stating all the conflicts of interest that may arise from the delegation of functions, shall be provided to the investors upon request free of charge and up to date.

### **1. Depositary functions**

The Depositary

- a) shall ensure that the procedures regarding the sale, issue, repurchase, redemption and cancellation of units of the Fund comply with the applicable Luxembourg law and with these Management Regulations.
- b) shall ensure that the calculation of the value of the units of the Fund is performed in compliance with the applicable Luxembourg law and with these Management Regulations.
- c) shall follow the instructions of the Management Company unless these instructions breach Luxembourg law or the Management Regulations;
- d) shall ensure that the consideration in transactions involving the assets of the Fund is remitted to the Fund within the usual time limits;
- e) shall ensure that the income of the Fund is appropriated in compliance with the applicable Luxembourg law and with these Management Regulations.

### **2. Cash flows**

The Depositary shall ensure that the cash flows of the Fund are properly monitored and shall guarantee, in particular, that all payments made by investors or on behalf of investors upon subscription of units of a fund have been received and all cash of the Fund has been booked in cash accounts, which:

- a) are opened in the name of the Fund, in the name of the Management Company acting on behalf of the Fund or in the name of the Depositary acting on behalf of the Fund;
- b) are opened at an entity referred to in points (a), (b) and (c) of Article 18 (1) of Directive 2006/73/EC of the European Commission and
- c) are maintained in accordance with the principles laid down in Article 16 of Directive 2006/73/EC.

If the cash accounts are opened in the name of the Depositary acting on behalf of the Fund, only cash of the Fund will be booked in those accounts.

### **3. Safekeeping of financial instruments and assets**

The Depositary is entrusted with the assets of the Fund for safekeeping as follows:

a) The following applies to financial instruments that can be held in custody:

- i) The Depositary holds in custody all those financial instruments which can be booked in the custody account on an account for financial instruments, as well as all those financial instruments which can be physically transferred to the Depositary.
- ii) the Depositary ensures that financial instruments that can be booked in a custody account for financial instruments are registered on separate accounts in the accounts of the Depositary in accordance with the principles laid down in Article 16 of Directive 2006/73/EC, which were opened in the name of the Fund or the Management Company acting on behalf of the Fund such that the financial instruments can be clearly identified at all times as instruments owned by the Fund under applicable law;

b) the following applies to other assets:

- i) the Depositary shall check whether the Fund or the Management Company acting on behalf of the Fund is the owner of the assets by determining, based on the information or documents submitted by the Fund or the Management Company and, if available, based on external evidence, whether the Fund or the Management Company acting on behalf of the Fund is the owner;
- ii) the Depositary shall maintain records of the assets for which it is satisfied that the Fund or the Management Company acting on behalf of the Fund is the owner, and shall keep its records updated.

The assets held in custody by the Depositary shall not be reused by the Depositary, or a third party to whom the safekeeping function was delegated, for its own account. Reuse comprises any transaction of assets held in custody including, but not limited to, transferring, pledging, selling and lending.

The assets held in custody by the Depositary are allowed to be reused by the Depositary where

- i) the reuse of the assets is executed for the account of the Fund,
- ii) the Depositary follows the instructions of the Management Company acting on behalf of the Fund,
- iii) the reuse benefits the Fund and is in the interest of the unitholders and
- iv) the transaction is covered by high-quality and liquid collateral received by the Fund under a title transfer arrangement.

The market value of the collateral shall, at all times, amount to at least the market value of the reused assets plus a premium.

The function of the Depositary or sub-depositary entrusted with the safekeeping functions may also be performed by an affiliated company of the Management Company. If a link exists between them, the Management Company and the Depositary have appropriate structures to avoid possible conflicts of interest arising from the link. Where conflicts of interest cannot be prevented, the Management Company and the Depositary will identify, manage, monitor and, if possible, disclose these conflicts of interest.

#### **Sub-depositaries**

The Depositary may outsource the safekeeping functions detailed in section 3 above to another company (sub-depositary) having regard to the legal requirements. The sub-depositaries may outsource the safekeeping functions delegated to them having regard to the legal requirements. The Depositary is not permitted to delegate the functions described in the aforementioned sections 1 and 2 to third parties.

In delegating safekeeping to third parties, the Depositary shall ensure that the latter are subject to special requirements concerning effective supervisory regulation and oversight.

A current overview of the sub-depositaries can be found at [www.lri-group.lu](http://www.lri-group.lu) or be requested from the Management Company free of charge.

#### **Potential conflicts of interest between the Depositary and the sub-depositaries:**

Potential conflicts of interest may also arise due to the appointment of third parties as sub-depositaries. If third parties are appointed as sub-depositaries, the Depositary shall ensure that itself and the third parties engaged have taken all appropriate measures to meet the requirements regarding organisation and avoidance of conflicts of interest as laid down in the applicable Luxembourg laws and regulations and monitor compliance with these requirements.

At the time of preparing this Prospectus, no relevant conflicts of interest with sub-depositaries were known. If such conflicts of interest occur, they shall be resolved in accordance with the existing policies and procedures and possibly disclosed to investors as described in the section “Basic procedures where conflicts of interest arise”.

#### **Depositary’s insolvency**

In case of insolvency of the Depositary and/or a third party resident in the European Union to whom safekeeping of the Fund’s assets have been delegated, the Fund’s assets held in custody may not be distributed to the creditors of the Depositary and/or this third party or used for their benefit.

#### **Depositary’s liability**

The Depositary is liable to the Fund and its unitholders in respect of loss by the Depositary or a third party to whom the safekeeping of financial instruments held in custody was delegated.

If a financial instrument held in custody is lost, the Depositary shall return an identical financial instrument without delay to the Fund or the Management Company acting on behalf of the Fund or refund an appropriate amount. The Depositary is not liable in accordance with the Law of 17 December 2010 and the applicable regulations if it is able to prove that the loss is attributable to external events which cannot be reasonably controlled and their consequences could not have been avoided despite all reasonable efforts.

The Depositary is also liable to the Fund and the Fund’s investors in respect of all other losses suffered by them as a result of negligent or deliberate non-compliance with the legal obligations imposed on the Depositary.

The liability of the Depositary, taking into account the statutory exemptions, remains unaffected by any delegation referred to in above section “Sub-depositaries”.

The Fund’s investors may invoke the liability of the Depositary directly or indirectly through the Management Company, provided that this does not result in either doubling of claims to recourse or the unequal treatment of unitholders.

## **6. The Fund Manager**

The Management Company has appointed **PMG Fonds Management AG** (hereinafter “PMG”), with its registered office at Sihlstrasse 95, 8001 Zurich, Switzerland, as the Fund Manager for the sub-funds **PPF II (“PMG Partners Funds II”) – Global Infrastructure Network Fund, PPF II (“PMG Partners Funds II”) – Culross Global Macro Fund and PPF II (“PMG Partners Funds II”) – SMAG Global Equity Fund.**

PMG Fonds Management AG is a fund manager pursuant to the Collective Investment Schemes Act (CISA) and is therefore subject to the supervision of the Swiss Financial Market Supervisory Authority FINMA. PMG manages several funds under Swiss law and acts as the fund manager for several funds under Luxembourg law.

The Management Company has appointed **Carnot Capital AG**, with its registered office at Schaffhauserstrasse 418, 8050 Zurich, Switzerland, as the Fund Manager for the sub-fund **PPF II (“PMG Partners Funds II”) – Carnot Efficient Resources.**

Carnot Capital AG provides services in the fields of asset management and investment advice. In addition, the company may act as asset manager for collective investment schemes; in this capacity, Carnot is subject to the supervision of the Swiss Financial Market Supervisory Authority FINMA.

The Management Company has appointed **MRB Vermögensverwaltungs AG**, with its registered office at Fraumünsterstrasse 11, 8001 Zurich, Switzerland, as the Fund Manager for the sub-fund **PPF II (“PMG Partners Funds II”) – MRB High Yield Bond Fund.**

MRB Vermögensverwaltungs AG is mainly active as an asset management company for collective investment schemes and is also a company specializing in asset management for high net worth private customers. In this activity, MRB is under the supervision of the Swiss Financial Market Supervisory Authority (FINMA).

The Management Company has appointed **Picard Angst AG**, with its registered office at Bahnhofstrasse 13-15, 8808 Pfäffikon SZ, Switzerland, as the Fund Manager for the sub-fund **PPF II (“PMG Partners Funds II”) – Padma India Fund and PPF II (“PMG Partners Funds II”) – PA Stabilized European Dividend Income Fund**.

Picard Angst AG is a successful, independent financial investment provider. The range of services includes the development and management of in-house investment funds, as well as the acquisition of asset management mandates for institutional clients. As a securities dealer, Picard Angst AG is subject to the supervision of the Swiss Financial Market Supervisory Authority FINMA pursuant to the Swiss Stock Exchange Act.

The Management Company has appointed **Kingwest & Company**, with its registered office at 86 Avenue Road, Toronto ON M5R 2H2, Canada, as the Fund Manager for the sub-fund **PPF II (“PMG Partners Funds II”) – Kingwest US Equity Fund**.

Kingwest & Company is a successful, independent financial investment provider. The range of services includes the development and management of in-house investment funds, as well as the acquisition of asset management mandates for institutional clients. As a dealer of managed accounts, Kingwest & Company are subject to the supervision of the IIROC (Investment Industry Regulatory Organization of Canada).

In particular, the role of fund manager includes the independent day-to-day implementation of the investment policy of the respective sub-fund and the management of the day-to-day business of asset management, as well as other associated services under the supervision, responsibility and control of the Management Company. These tasks are fulfilled in compliance with the principles of the investment policy and the investment restrictions of the respective sub-fund, as described in the Prospectus as well as the statutory investment restrictions.

The Fund Manager is authorised to select brokers and dealers to handle transactions in the Fund’s assets. The Fund Manager is responsible for issuing investment decisions and order instructions.

The Fund Manager has the right to seek out advice, at its own expense and under its own responsibility, from third parties, in particular from various investment advisors. Subject to the approval of the Management Company, the Fund Manager is permitted to transfer its duties in full or in part to third parties; the fees of these third parties are fully paid by the Fund Manager. If such is the case, this Prospectus shall be amended accordingly.

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

**The Investment Manager is not entitled to gain ownership or possession of the monies or securities of investors.**

## **6.1. The Sub-fund Manager**

For all Sub-fund Manager setups, the Fund Manager and the Sub-fund Managers communicate regularly and define the distribution of tasks.

**LPX AG**, with its registered office at Florastrasse 17, CH-8008 Zurich, Switzerland, was appointed Sub-fund Manager for **PPF II (“PMG Partners Funds II”) – Global Infrastructure Network Fund**. LPX launched the first index family to measure the performance of Listed Private Equity (LPE) companies. In contrast with "traditional" private equity companies, LPE companies are traded on the stock exchange, which makes it possible to construct equity indices based on these companies. These indices, composed on the basis of a comprehensive database, were launched in 2004. In addition to the indices, LPX offers a range of other services in the areas of benchmarking, asset allocation, research and financial products.

As a Sub-fund Manager, LPX AG monitors the financial markets, analyses the respective portfolio composition, selects the investments of each sub-fund in accordance with the principles of the investment policy and investment limits defined for the sub-fund. LPX AG communicates the selected investments and their weighting to PMG. LPX AG does not use its own indices for the fund management of the sub-fund. PMG then reviews the investments, taking into account the jointly defined investment criteria and the investment policy and investment limits defined for the sub-fund, and makes the final investment decision. PMG also assumes risk management and compliance for the sub-fund.

Culross Global Investment Management Ltd, with its registered office at Forni 2E, Forni Complex, Valletta Waterfront, Floriana FRN1913, Malta, was appointed Sub-fund Manager for **PPF II (“PMG Partners Funds II”) – Culross Global Macro Fund**. Culross Global Investment Management Ltd is successful, independent financial investment provider. The range of services includes the development and management of in-house investment funds, as well as the acquisition of asset management mandates for institutional clients. Culross Global Investment Management is subject to the supervision of the Malta Financial Service Authority.

As a Sub-fund Manager, Culross monitors the financial markets, analyses the respective portfolio composition and selects the investments of each sub-fund in accordance with the principles of the investment policy and investment limits defined for the sub-fund. Culross communicates the selected investments and their weighting to PMG. PMG then reviews the investments, taking into account the jointly defined investment criteria and the investment policy and investment limits defined for the sub-fund, and makes the final investment decision. PMG also assumes risk management and compliance for the sub-fund.

The respective Sub-fund Manager of the sub-funds is, in particular, responsible for the independent day-to-day implementation of the individually specified activities as well as other associated services under the supervision, responsibility and control of the Management Company. These tasks are fulfilled in compliance with the principles of the investment policy and the investment restrictions of the respective sub-fund, as described in the Prospectus as well as the statutory investment restrictions.

The Sub-fund Manager has the right to seek out advice, at its own expense and under its own responsibility, from third parties, in particular from various investment advisors. Subject to the approval of the Management Company, the Sub-fund Manager is permitted to transfer its duties in full or in part to third parties; the fees of these third parties are fully paid by the Fund Manager. If such is the case, this Prospectus shall be amended accordingly.

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

**The Sub-fund Manager is not entitled to gain ownership or possession of the monies or securities of investors.**

## **7. Issue, redemption and conversion of units**

Units of the Fund are units of the respective sub-funds. They may be subscribed and redeemed, as well as converted into units of another sub-fund or unit class, via the Management Company, the Paying Agents referred to in this Prospectus and via the Depositary.

Units in the various sub-funds are generally issued on each valuation date as per Article 7 of the Management Regulations. The Management Company may, however, in the interest of the unitholders, resolve that units in individual sub-funds are exclusively issued on the initial issue date stipulated in the "Overview of important information relating to the all sub-funds" section of the Prospectus. In the interest of the unitholders, the Management Company may decide that in the case of sub-funds for which no more units were issued after the initial issue date, units shall again be issued after the initial issue date, and even on each valuation date, as the case may be. In this case, the unitholders will be informed by publication in a daily newspaper in the countries where the Fund's units are sold. If all unitholders are known to the Management Company, the unitholders may also be informed in writing.

In the case of various unit classes or after the launch of other sub-funds, the conversion of units from one unit class to another or the conversion of units in one sub-fund to units in another sub-fund may be carried out under the conditions presented in Article 9 of the Management Regulations. However, the Management Company reserves the right to only approve the conversion of units in one sub-fund to units in another sub-fund if this is in the interest of the unitholders of the sub-funds affected by this conversion.

## **8. Payments and Information**

Payments are made via the Management Company and the Paying Agents referred to in the Prospectus. Information is available for the unitholders free of charge from the Management Company and the Paying Agents. The subscription and redemption prices may be requested free of charge on each valuation day in accordance with Article 7 of the Management Regulations at the registered office of the Management Company and the Depositary as well as from the offices of any Paying Agent (for details of the calculation of the net asset value see Article 7 of the Management Regulations).

The Management Company shall ensure that the laws, regulations, circulars and provisions relating to combating money laundering and the financing of terrorism, as well as the ban on late trading and market timing, are complied with and that internal procedures are implemented to prevent such activities.

This Prospectus together with the Management Regulations of the Fund, Key Investor Information and also the annual and semi-annual reports are available free of charge at the registered office of the Management Company, from the Depositary and from any of the Paying Agents.

**Additional information for investors in the Federal Republic of Germany (not applicable to the Culross Global Macro Fund sub-fund. No application was made for approval to market this sub-fund in Germany)**

The address of the Paying and Information Agent is given in the section entitled "Management and Administration". Requests for redemption and conversion of units may be submitted to the Paying and Information Agent. All

payments to unitholders, including any redemption proceeds, distributions and other payments may, if requested by the unitholder, be routed via the German Paying and Information Agent.

The Prospectus and Key Investor Information, Management Regulations, audited annual report and unaudited semi-annual report may be obtained free of charge from the German Paying and Information Agent.

The currently valid issue and redemption prices and any notifications to unitholders are also available free of charge from the Paying and Information Agent. Issue and redemption prices and any notifications to unitholders shall be published in the Federal Republic of Germany on the [www.lri-group.lu](http://www.lri-group.lu) website.

#### **Additional information for investors in Austria**

##### **Paying and Information Agent in Austria**

Erste Bank der österreichischen Sparkassen AG  
Am Belvedere 1  
A-1100 Vienna

Fund units may be acquired, redemption and conversion requests may be submitted and all payments (redemption proceeds, any distributions and other payments) may be disbursed to the unitholders through the Austrian Paying Agent.

All necessary information for unitholders – i.e. the Management Regulations, Prospectus and the Key Investor Information, annual and semi-annual reports – may also be obtained, free of charge, from the Austrian Paying Agent.

##### **Tax Representative in Austria**

Erste Bank der österreichischen Sparkassen AG  
Am Belvedere 1  
A-1100 Vienna

##### **Publications**

Issue and redemption prices in Austria are published on the website [www.lri-group.lu](http://www.lri-group.lu). In addition, the Management Company may arrange for other publications.

#### **Additional Information for investors in Switzerland**

##### **Representative**

The Fund's representative in Switzerland is PMG Fonds Management AG, Sihlstrasse 95, CH-8001 Zurich.

##### **Paying Agent**

The Paying Agent in Switzerland is InCore Bank AG, Stauffacherstrasse 41, CH-8004 Zurich.

##### **Place where relevant documents are available**

The Prospectus and Key Investor Information Documents, Management Regulations, annual and semi-annual reports may be obtained from the representative free of charge.

##### **Publications**

Publications in Switzerland relating to the foreign collective investment scheme are made via the electronic platform [www.swissfunddata.com](http://www.swissfunddata.com).

The issue and redemption prices of units, as well as the net asset value, with the note “excluding fees” are published for each issue and redemption of units on the electronic platform [www.swissfunddata.ch](http://www.swissfunddata.ch). The prices are published at least every Saturday on the electronic platform [www.swissfunddata.ch](http://www.swissfunddata.ch).

##### **Payment of retrocessions and rebates**

The Management Company and its agents may pay retrocessions as compensation for the distribution of fund units in Switzerland or from Switzerland. The following services in particular may be compensated with this remuneration:

- the offering of fund units of the foreign collective investment scheme in Switzerland or from Switzerland and the associated consulting and support services to investors, taking into account the existing legal obligations under the distribution structure permitted in Switzerland;
- the promotion of foreign collective investment schemes in Switzerland or from Switzerland by including the Fund in the distributor's product range and promotion by cooperating with third parties (e.g. platforms, banks), taking into account the existing legal obligations under the distribution structure permitted in Switzerland;

Retrocessions are not considered rebates even if they are ultimately passed on to investors in full or in part.

The recipient of retrocessions shall guarantee transparent disclosure and shall inform the investor, free of charge and at its own initiative, of the compensation amount they could receive for distribution.

On request, the recipient of retrocessions shall disclose the effective amounts received for the distribution of this investor's collective investments.

The Management Company and its agents may pay rebates directly to the investor upon request when distributing in Switzerland or from Switzerland. The purpose of rebates is to reduce the fees or costs incurred by the investor concerned. Rebates are permitted provided they

- are paid from the Management Company's fees and thus are not additional charges for the Fund;
- are awarded based on objective criteria;
- are awarded to the same extent and within the same time constraints to all investors who meet the objective criteria and request rebates.

The objective criteria according to which the Management Company shall grant rebates are the following:

- the volume subscribed by the investor or the total asset volume held in the collective investment scheme or in the promoter's product range, where applicable;
- the amount of fees generated by the investor;
- the investment behaviour practised by the investor (e.g. expected investment period);
- the investor's willingness to provide support in the launch phase of a collective investment scheme.

The Management Company shall disclose the corresponding amount of rebates free of charge at the investor's request.

#### **Place of execution and jurisdiction**

The place of execution and jurisdiction for units distributed in and from Switzerland is the registered office of the representative.

## **9. Taxation**

### **9.1. The Fund**

#### **Taxation of the fund**

The Fund assets and the sub-fund's assets are subject to a tax in the Grand Duchy of Luxembourg, the so-called "taxe d'abonnement", currently of 0.05% p.a. (or 0.01% p.a. for sub-funds and unit classes that are issued solely to institutional investors). This tax is payable quarterly on the sub-fund's net assets reported at the end of the quarter. If a sub-fund's assets or the portion of a sub-fund's assets are invested in other Luxembourg investment funds that are already subject to the *taxe d'abonnement*, the tax is waived for the portion of the sub-fund assets invested in those Luxembourg investment funds.

The Fund's or the sub-fund's income from the investment of its assets is not taxed in the Grand Duchy of Luxembourg. However, such income (in particular interest and dividends) may be subject to a withholding tax in countries in which the sub-fund's assets are invested. In such cases, neither the Depositary nor the Management Company is required to collect tax certificates.

#### **Taxation on income from investment fund units for the investor**

In implementation of the Common Reporting Standard ("CRS") an automatic exchange of information has been taking place between the most EU countries, including Luxembourg, and the other contracting states of the CRS regime since 1 January 2016. This new global standard drafted by the OECD for the automatic exchange of information includes interest income, dividend income and certain other types of income.

Investors who are not resident in the Grand Duchy of Luxembourg, or who do not maintain a permanent establishment there, do not have to pay income, inheritance, or wealth tax on units in the Grand Duchy of Luxembourg. The relevant national tax regulations are applicable for such investors.

Since 1 January 2006, in accordance with the Luxembourg Law of 23 December 2005, natural persons who are resident in the Grand Duchy of Luxembourg and who are not resident for tax purposes in another country have had to pay a final withholding tax on the interest income. Under certain conditions, this withholding tax may also apply to the interest income of an investment fund. At the same time, the wealth tax was abolished in the Grand Duchy of Luxembourg.

This information is based on current legislation and administrative practice and may be subject to change.



**Investors should inform themselves of, and if necessary, consult their professional advisors on the possible tax consequences arising from the subscription, purchase, ownership, conversion, redemption or subsequent disposal of units and/or dividends on units of the Fund under the laws of their country of citizenship, residence, domicile or incorporation.**

#### **Specific risks associated with the tax reporting requirements for the Federal Republic of Germany**

At the request of the German financial authorities, the Management Company must establish the validity of the declared tax basis. Corrections of inaccurate reporting for previous financial years are not made, but are considered in the context of the statement for the current financial year. Corrections may have a positive or negative effect for investors who receive a dividend or who are assigned an accumulation amount during the financial year.

### **10. Risk considerations**

**No assurance can be given that the objectives of the respective investment policy of a sub-fund will actually be met.**

**In line with the principle of risk spreading and in accordance with the investment limits provided under Article 4, paragraph 5 (h) of the Management Regulations that follow, the Management Company is authorised to invest up to 100% of the net assets of a sub-fund in securities and money market instruments of a single issuer.**

**The following applies where a sub-fund may make use of derivatives:**

**By using options and financial futures and other techniques and instruments for the efficient management of the respective sub-fund's assets, the respective sub-fund is subject to much greater risks than those associated with traditional investments. The option of using these investment strategies may be restricted by market conditions or legal limitations.**

In particular, warrants involve far greater risks, since even a low capital investment in warrants and other derivatives may involve sharp price fluctuations ("leverage effect").

Investors are informed that the following risks may be associated with derivatives:

- a) fixed term rights purchased may expire or reduce in value
- b) the level of risk involved may not be determinable and may also be higher than the guarantees given
- c) transactions intended to exclude or limit the risk may be impossible to achieve or may only be possible at a loss
- d) the risk may increase when commitments arising from such transactions or income from such transactions are denominated in a foreign currency.
- e) the risk of insolvency or payment default of a counterparty (counterparty risk). If the sub-funds are able to conduct OTC derivative transactions (e.g. non-exchange traded futures and options, forwards, swaps), they are subject to a high credit and counterparty risk which the management attempts to reduce by means of collateral contracts.
- f) The Management Company or the Investment Manager may, on behalf of the sub-fund, conduct transactions on OTC markets which expose the sub-fund to the risk of insolvency of its counterparties and the risk associated with their ability to meet the contractual conditions. In the event of the bankruptcy or insolvency of a counterparty, the sub-fund may experience delays in the settlement of positions and incur considerable losses, including reductions in the value of the investments made in the period during which the sub-fund seeks to enforce its claims; it may also fail to achieve profits during this period and may incur expenses in connection with the enforcement of these rights. There is also the possibility that the above contracts and derivative techniques may, for example, be terminated as a result of bankruptcy, infringements of the law or by a change in the taxation or accounting legislation relating to the stipulations of the contract when concluded.

When using techniques and instruments, the following particular risks may occur in connection with securities lending transactions and securities repurchase transactions and the managed collateral:

- a) When conducting securities lending transactions and securities repurchase transactions, the main risk is the default of a counterparty which has become insolvent or is otherwise unable or unwilling to meet its obligations to return securities or cash to the respective sub-fund as stated in the contractual conditions of the transaction. The counterparty risk can be reduced by the transfer or the pledging of collateral in favour of the respective sub-fund. However, it is not possible to completely hedge securities lending and securities repurchase transactions. The expenses and income of the respective sub-fund from securities lending transactions and securities repurchase agreements cannot be hedged. In addition, the value of the collateral may fall during any subsequent reweighting of the collateral or the collateral may be incorrectly established or monitored. In the event of default by the counterparty, the respective sub-fund may be required to sell

collateral that has no cash value (non-cash collateral) and which was bought at an earlier market price, leading to a loss for the respective sub-fund.

- b) Securities lending or repurchase agreement transactions also contain operational risks such as the non-fulfilment or delay in executing instructions and legal risks in connection with the underlying documentation of the transactions.
- c) Securities lending transactions and securities repurchase transactions may be conducted for the respective sub-fund with other companies within the Management Company's group. Counterparties which belong to this group, where applicable, carry out their obligations arising from securities transactions and securities repurchase transactions with the due diligence applicable to trading. In addition, the Management Company conducts transactions for the respective sub-funds in accordance with best execution rules and also selects the respective counterparties according to these rules, acting in the best interests of the respective sub-fund and its investors. However, investors should be aware that the Management Company may be exposed to conflicts of interest with regard to its role as such, its own interests or the interests of the counterparties of the same group.

Furthermore, the respective sub-fund may suffer losses by reinvesting cash collateral or cash funds from derivatives or securities lending transactions and securities repurchase agreement transactions. Such losses may result from a decline in the value of assets acquired with cash collateral. A decline in the value of assets acquired with cash collateral has the effect of reducing the amount of the collateral available to the respective sub-fund to repay the counterparty at the end of the transaction. In this case, the respective sub-fund is required to bear the difference in value between the collateral originally received and the amount actually available to repay the counterparty, as a result of which the respective sub-fund incurs a loss.

**In addition, the individual sub-funds are subject to the following risks:**

#### **Market and sector risk**

While investments in sector-specific securities offer the potential for high returns, they also present corresponding risks. These risks include both general market risks and the specific risks of the relevant business sector. The respective markets may to some extent be subject to significant price fluctuations and reduced liquidity.

The price or market trend of financial products is primarily dependent on developments on the capital markets and the economic performance of issuers, which in turn are influenced by the general state of the global economy and by economic and political conditions in the various countries. Particularly on a stock exchange, irrational factors such as sentiment, opinions and rumours can also have an impact on general price movements.

#### **Country or transfer risk**

Country risk occurs when a foreign borrower, despite its solvency, cannot fulfil its obligations or cannot do so within the required deadline due to an inability or unwillingness on the part of its country of domicile to transfer the funds. In this case, payments to which the fund has a claim may not arrive or may be made in a currency which is no longer convertible due to foreign exchange restrictions.

Furthermore, investment of the Fund's assets in securities of companies in developing countries is subject to additional risks due to government intervention and unpredictable political upheavals that may influence the free transfer of currencies. Limited access to information and less stringent public supervision and control of these securities markets create additional risks.

Investments in securities of emerging markets carry various risks. These relate primarily to the rapid economic development some of these countries are experiencing. These markets also have lower market capitalisation levels and therefore tend to be more volatile and less liquid. Other factors (such as political changes, exchange rate fluctuations, stock exchange controls, taxes, restrictions on the investment of foreign capital and capital recovery, etc.) may likewise compromise the saleability of these securities and the resulting income. These markets as well as the companies listed on them may also be subject to substantially less government supervision and less sophisticated legislation. Their accounting and auditing methods may not always meet required standards.

The performance of equities on Eastern European stock exchanges and markets is to some extent subject to significant fluctuations. The potential of an investment in these countries is therefore subject to considerable risks.

Performance may be influenced by exchange rate fluctuations of the euro, the base currency of the Fund, against the currencies of the countries in which the Fund's assets are invested, as well as by other factors such as political changes, restrictions on currency conversion and transfers, unclear ownership structures, inadequate stock exchange controls, taxes, restrictions on the investment of foreign capital and capital recovery etc.

Due to the substantial risk of equity price fluctuations in relation to the still limited capacity of the aforementioned markets, the Management Company refers specifically to the possibility of a temporary suspension of the calculation of the net asset value and the redemption or conversion of units (Article 8 of the Management Regulations).

#### **Currency risk**

Performance may be influenced by exchange rate fluctuations of the base currency of the sub-fund against the currencies of the countries in which the sub-fund's assets are invested.

If a sub-fund's assets are invested in a different currency from the sub-fund's currency, the sub-fund will receive the income and repayments from these investments in the currency concerned. If such currency depreciates against the sub-fund's currency, this reduces the net assets of the sub-fund.

#### **Interest rate risk**

Investors should be aware that a fund investment may involve interest rate risks which can occur in the event of fluctuations in interest rates in the currency in which the securities or the respective sub-fund are denominated.

When a sub-fund invests in fixed income securities it is also exposed to the risks of the bond markets, e.g. credit risk and, if applicable, company-specific risk and default risk.

#### **Credit risk**

The creditworthiness (ability and willingness to pay) of the issuer of a security or money market instrument held by the Fund may subsequently fall. This usually leads to price drops that go beyond general market fluctuations.

#### **Liquidity risk**

Assets which are not listed on an official stock exchange or included in an organised market may also be purchased by the individual sub-funds. The purchase of such assets entails the risk that problems may be encountered in attempting to sell the assets to third parties. In addition, there is a risk that securities traded in a very narrow market segment can be subject to considerable price volatility.

#### **Company-specific risk**

The performance of securities, corporate bonds and money market instruments held directly or indirectly by the Fund also depends on company-specific factors, e.g. the issuer's economic situation. If these company-specific factors deteriorate, the market value of the respective security may fall significantly and durably, even despite an otherwise generally positive stock market trend.

#### **Default risk**

The default of an issuer or counterparty can lead to losses for the Fund. The issuer risk refers to the impact of the specific situation of the issuer concerned, which influences the price of a security alongside the general situation of the capital markets. Even the careful selection of securities can never eliminate the risk that losses can be incurred due to the bankruptcy of issuers.

The counterparty risk refers to the risk that one party to a contract will partially or completely default on the other party's claim. This applies to all contracts which are concluded on behalf of a fund.

#### **Custody risk**

The custody of assets, particularly abroad, involves a risk of loss resulting from insolvency, the neglect of due diligence obligations or misconduct on the part of the custodian or a sub-custodian.

#### **Concentration risk**

Further risks may arise from a concentration of investments in particular assets or markets. In this case the relevant sub-fund is particularly heavily dependent on the performance of these assets or markets.

#### **Country/regional risk**

If a Fund focuses its investments in specific countries or regions, this also reduces the risk spread. As a result, the Fund is particularly dependent on the performance of individual or closely intertwined countries and regions or on the companies resident and/or active in these areas.

#### **Emerging markets risks**

Investments in emerging markets are investments in countries that do not come under the category "high gross national income per capita" according to the World Bank's classification, i.e. are not classed as "developed". Investments in these countries are particularly exposed to liquidity risk and general market risk in addition to the specific risks of the specific investment class. The settlement of transactions involving securities from these countries is also subject to increased risk and may negatively affect investors, especially as the concurrent provision of securities against payment may not generally be possible or usual there. In emerging markets, the legal and regulatory environment and the accounting, auditing and reporting standards may deviate significantly from international levels and standards, to the detriment of investors. There may also be a higher level of custody risk in these countries, which may result in particular from the different types of exchange of property with regard to purchased assets.

#### **Specific risks when investing in so-called high yield assets**

In terms of interest rates, high yield assets are understood to be assets that either are not investment grade as rated by a recognised rating agency (non-investment grade rating) or for which no rating exists but it may be assumed that these would be given a non-investment grade rating if they were to be rated. The general risks applicable to this asset class apply for these investments, and to a greater extent. An increased credit risk, interest rate risk, general market risk, company-specific risk and liquidity risk are usually associated with these types of investments.

#### **Specific risks when investing in convertible bonds and bonds with warrants**

Convertible bonds and bonds with warrants represent the right to convert the bond into shares or to acquire shares. The performance of the value of convertible bonds and bonds with warrants is therefore dependent on the price performance of the share as the underlying. The risks associated with the performance of the underlying shares may therefore also have an effect on the performance of the convertible bonds and bonds with warrants. Bonds with warrants, which give the issuer the right to use a pre-determined number of shares (reverse convertibles) instead of repaying a nominal amount, are more dependent on the corresponding share price.

#### **Specific risks when investing in the Indian equity market**

The Indian equity market is characterised by higher volatility than the stock markets of Western Europe or the United States of America and other developed countries. The securities listed on the Indian exchanges are subject to strong fluctuations. In addition, the Indian exchanges are subject to temporary closures, broker negligence, the failure of transactions and payment delays. Furthermore, the Securities and Exchange Board of India, the supervisory authority for the Indian stock exchanges, may issue restrictions on trade in certain securities, pricing and margin requirements. The sub-fund PPF II (“PMG Partners Funds II”) – Padma India Fund is registered with Deutsche Bank Mumbai as a foreign portfolio investor (FPI). If the FPI licence is revoked for any reason, this could affect the chances of the Company achieving its investment objectives. Under certain circumstances, such as changes to laws and regulations or the loss of registration, approval by the government or supervisory authority may require the repayment of investment income or revenue from the sale of securities. In addition, the Indian government may restrict the transfer of capital to other countries or the currency control regulations for international institutional investors such that the opportunities for the Fund to transfer its revenue and capital from India are limited. The Substantial Acquisition of Shares and Takeovers (SEBI) regulations of 1997 (“Takeover Code”) include particular provisions that could delay, prevent or stop a future takeover or change in controlling relationships among Indian companies.

#### **Increased volatility**

Sub-funds can display increased volatility due to their permissible investment universe, their composition and the use of derivative instruments, i.e. the net asset value can be subject to considerable fluctuations both upwards and downwards within short periods.

#### **Legal and tax risk**

The legal and tax treatment of investment funds may be subject to unexpected and unavoidable changes.

#### **Change in investment policy**

A change in the investment policy within the investment universe permitted for the Fund may alter the risk level associated with the Fund.

#### **Amendment of contract conditions**

In the contract conditions for the Fund, the Management Company reserves the right to amend the contract conditions. Moreover, in accordance with the contract conditions the Fund may dissolve individual sub-funds. Investors may therefore be unable to realise the holding period originally planned.

#### **Risk of suspension of redemptions**

In general investors can request the redemption of their units on any day on which a valuation is carried out. However, in exceptional circumstances the company may suspend the redemption of units temporarily and only redeem the units at a later date at the price prevailing at that time. This price may be lower than that prevailing before the suspension of redemptions.

#### **Liability risk**

The Depositary, to the extent that it itself becomes actively involved and/or that group-affiliated service providers (subsidiaries, branch offices) become actively involved, assumes no liability of any kind for damages that e.g. may have arisen from delivery problems or sales problems of whatever kind or from non-compliance with an obligation of the Depositary, unless the Depositary or group-affiliated service provider is responsible for the damages in an individual case. A presumption of liability arises if the damage relates to a causal circumstance that lies within the sphere of influence or scope of action of the Depositary or its subsidiary/branch office, i.e. no exogenous factors or actions or omissions of external third parties are involved, and it can be demonstrated to the Depositary or its subsidiary/branch office that they have failed to exercise the standard of due diligence expected of banks. The Depositary shall in this connection be obliged to assume liability for group-affiliated service providers as though such liability had been incurred by the Depositary.

The Depositary, to the extent that non-group-affiliated service providers become actively involved, assumes no liability of any kind for damages (as mentioned above by way of example) unless the Depositary failed to exercise the standard of due diligence expected of banks in selecting and monitoring the service providers.

#### **Risks associated with investment in units of target funds**

The risks associated with units of investment funds purchased for the respective sub-funds are closely related to the risks of the assets contained in these target funds and to the investment strategies pursued by them. However, these risks can be reduced through the diversification of the assets within the target funds, the units of which are purchased for the Fund, and through diversification within the Fund itself. Since the managers of the various target funds act independently of each other, it is possible that a number of target funds pursue the same or opposite investment strategies. This may lead to an accumulation of risks and any potential market opportunities may cancel each other

out. It is usually not possible for the Management Company to exert control over the management of the target funds. The investment decisions of the target funds may not necessarily concur with the assumptions or expectations of the Management Company. The Management Company will frequently not have up-to-date information on the composition of the target funds. If the composition of a target fund does not correspond with its assumptions or expectations, it may only be able to take action with considerable delay in the form of selling the target fund units.

#### **Risk of an increased portfolio turnover rate (PTR)**

Sub-funds that pursue an asset-managing investment approach in order to achieve their investment objective or as part of the implementation of their investment policy and are not merely funds of funds (which typically implement a buy-and-hold strategy), may also carry out a greater degree of direct investment in ETFs (Exchange Traded Funds), certificates and shares. In addition, bond, cash and money market positions may be set up where appropriate, particularly to limit market risk. A correspondingly high turnover rate may arise from this for the sub-fund portfolios affected, especially in volatile market phases and during strong market fluctuations, which in turn may cause an increase in transaction costs. However, in an asset-managing investment strategy, the aim in principle is to benefit from upward trends and to reduce losses in return, such that any increased costs can be accepted in terms of achieving a corresponding overall performance.

#### **Certificates and structured products**

Certificates and structured products are compound products. Derivatives and/or other techniques and instruments may also be embedded in certificates and structured products. Consequently, the risk characteristics of derivatives and other techniques and instruments should also be considered alongside the risk characteristics of securities. Certificates belong to the asset group of so-called derivative financial products (derivatives) which include the right to the repayment of a specific amount by the issuer of the certificates. The repayment and liquidity of a certificate may therefore depend on the certificate issuer's creditworthiness. A certificate always has an underlying instrument or a group of underlying instruments (basket). The performance of the certificate price is derived from the performance of the underlying. In general, certificates are time-bound and have a fixed final maturity; however, there are also certificates without a time limit ("open end").

#### **Credit-linked notes**

Credit-linked notes are generally securities with an embedded derivative. The risks of credit-linked notes are therefore limited not only to the risks of securities but also include risks arising from embedding derivatives. Consequently, the risk characteristics of derivatives should also be considered alongside the risk characteristics of securities. Credit-linked notes also include risks arising from the assets underlying the credit-linked notes in addition to the original risks arising from investment in structured products.

#### **Risks associated with collateral from OTC derivative transactions**

The Fund may suffer losses by reinvesting cash collateral or cash funds from derivatives. Such losses may result from a decline in the value of assets acquired with cash collateral. A decline in the value of assets acquired with cash collateral has the effect of reducing the amount of the collateral available to the respective sub-fund to repay the counterparty at the end of the transaction. In this case, the respective sub-fund is required to bear the difference in value between the collateral originally received and the amount actually available to repay the counterparty, as a result of which the respective sub-fund incurs a loss.

#### **Risks relating to derivative transactions**

Individual sub-funds may use derivatives. These can be used not only for hedging purposes but also as part of the investment strategy.

**Consequently, there is the risk that units of the respective sub-fund may be resold by investors at a loss-making net asset value.**

#### **Assertion of rights against the Fund**

The Management Company draws unitholders' attention to the fact that any unitholder may assert his/her unitholder rights in their entirety directly against the Fund only if such unitholders are entered themselves and in their own name in the register of unitholders. In cases where a unitholder has invested in the Fund through an intermediary that undertakes the investment in its own name but on behalf of the unitholder, not all unitholder rights can necessarily be asserted directly against the Fund by the unitholder. Unitholders are advised to inform themselves of their rights.

### **11. Securitisation of units**

The units of the respective sub-fund are issued in the form of global certificates or using the Central Facility for Funds (CFF) procedure at Clearstream Luxembourg (bearer units).

### **12. Investments in funds**

If a sub-fund invests in units of other investment funds ("target funds"), any applicable subscription fees or possible redemption fees shall apply. It should be noted that in addition to the costs that are charged to the Fund's assets in accordance with the provisions of this Prospectus and the Management Regulations that follow, costs for management and administration, the depositary and auditor's fees, taxes as well as other costs and expenses in

connection with the assets of these target funds shall apply, and consequently, similar costs may be paid several times.

In the case of subscriptions or redemptions of units of target funds which are directly or indirectly managed by the Management Company or a company associated with the Management Company, no fees are charged to the relevant sub-fund by the Management Company or the other company.

The sub-funds shall not invest in target funds that are subject to a management fee of more than 2.5% per annum. Any performance fees which may arise are not taken into account in this.

If distribution fees are received for investments in target funds, these shall be attributed to the respective sub-fund and shall reduce the costs.

## PPF II (“PMG Partners Funds II”)

### Overview of important information relating to all the sub-funds

#### Sub-fund PPF II (“PMG Partners Funds II”) – Global Infrastructure Network Fund<sup>3</sup>

Sub-fund launch:		01/07/2015
Initial issue date:	Unit class EUR A Unit class EUR B Unit class CHF B-I Unit class CHF B	01/07/2015 n/a 01/07/2015 n/a
Initial issue price: (plus subscription fee)		EUR/CHF 100
Unit classes		EUR A EUR B CHF B-I CHF B
Minimum investment amount:		none
Calculation of the net asset value <sup>4</sup> :		daily; NAV calculation of D-1 <sup>5</sup>
Subscription fee as a percentage of the net asset value: (in favour of the Distributors)	Unit class EUR A Unit class EUR B Unit class CHF B-I Unit class CHF B	up to 5% up to 5% None up to 5%
Redemption fee as a percentage of the net asset value: (In favour of the sub-fund’s assets)		None
Conversion fee as a percentage of the net asset value of the sub-fund or class of units in which the conversion is to be made: (in favour of the Distributors)		none
Management fee (incl. fee for any representatives in other countries and distributors in percentage of the net sub-fund assets)		up to 0.30% p.a., at least EUR 40,000 p.a.
Depositary fee (as a % of the sub-fund's net assets)		up to 0.04% p.a., at least EUR 10,000 p.a.
Investment Manager fee (from the sub-fund’s assets)	Unit class EUR A Unit class EUR B Unit class CHF B-I Unit class CHF B	Up to 1.7% p.a. Up to 1.7% p.a. Up to 1.2% p.a. Up to 1.7% p.a.
Reference currency of the sub-funds:		EUR
Reference currency of the unit classes:	Unit class EUR A Unit class EUR B Unit class CHF B-I Unit class CHF B	EUR EUR CHF CHF

<sup>3</sup> If no information to the contrary is provided in the following overview, these are identical for all unit classes. All figures for fees are subject to VAT, if applicable. Units in unit class B-I are exclusively reserved for institutional investors.

<sup>4</sup> The valuation day is any banking and trading day in Luxembourg and Frankfurt am Main. The following are not valuation days: New Year’s Day, Good Friday, Easter Monday, May Day, Ascension Day, Whit Monday, Luxembourg National Day, Assumption Day, German Unity Day, All Saints’ Day, Christmas Eve, Christmas Day, Boxing Day and New Year's Eve.

<sup>5</sup> The new calculation of the NAV is valid from 12 January 2017

Currency:		EUR	
End of the financial year:		31 December	
- First financial year:		31 December 2015	
- date of first audited annual report:		31 December 2015	
- first unaudited semi-annual report:		30 June 2016	
Dividend policy:	Unit class EUR A Unit class EUR B Unit class CHF B-I Unit class CHF B	distributing accumulation accumulation accumulation	
Denomination of units:		Bearer units are issued in the form of global certificates or using the Central Facility for Funds (CFF) procedure at Clearstream Luxembourg	
Stock exchange listing:		Not planned	
Domicile:		Luxembourg, Germany, Switzerland, Austria	
Security ID numbers:		<u>Security code</u>	<u>ISIN</u>
	Unit class EUR A	A14NLY	LU1185944284
	Unit class EUR B	A14NLZ	LU1185944367
	Unit class CHF B-I	A14NL0	LU1185944797
	Unit class CHF B	A2AMWU	LU1422844214
Performance (capital appreciation):	An overview per relevant sub-fund/unit class is contained in the Key Investor Information.		



**Sub-fund PPF II (“PMG Partners Funds II”) – Carnot Efficient Resources<sup>6</sup>**

Sub-fund launch:		01/12/2015
Initial issue date:	Unit class B EUR	01/12/2015
	Unit class B CHF	01/12/2015
	Unit class D EUR	01/12/2015
	Unit class D CHF	01/12/2015
Initial issue price: (plus subscription fee)	B unit classes	EUR/CHF 100
	D unit classes	EUR/CHF 100
Unit classes		B EUR B CHF D EUR D CHF
Minimum investment amount:	B unit classes	none
	D unit classes	EUR/CHF 1 million*
Calculation of the net asset value <sup>87</sup> :		Daily; NAV calculation of D-1 <sup>8</sup>
Subscription fee as a percentage of the net asset value: (in favour of the Distributors)		up to 3%
Redemption fee as a percentage of the net asset value: (In favour of the sub-fund’s assets)	B unit classes	None
	D unit classes**	None
Conversion fee as a percentage of the net asset value of the sub-fund or class of units in which the conversion is to be made: (in favour of the Distributors)		none
Management fee (incl. fee for any representatives in other countries and distributors in percentage of the net sub-fund assets)		up to 0.30% p.a., at least EUR 45,000 p.a.
Depository fee (as a % of the sub-fund's net assets)		up to 0.04% p.a., at least EUR 10,000 p.a.
Investment Manager fee (from the sub-fund’s assets)	B unit classes	up to 1.5% p.a.
	D unit classes	Up to 0.9% p.a.
Reference currency of the sub-fund:		EUR
Reference currency of the unit classes:	Unit class B EUR	EUR
	Unit class B CHF	CHF
	Unit class D EUR	EUR
	Unit class D CHF	CHF
Currency:		EUR
End of the financial year:		31 December
- First financial year:		31 December 2015

<sup>6</sup> If no different information is provided in the following overview, these are identical for all unit classes. All figures for fees are subject to VAT, if applicable. Units in unit classes D EUR and D CHF are exclusively reserved for institutional investors.

<sup>7</sup> The valuation day is any banking and trading day in Luxembourg and Frankfurt am Main. The following are not valuation days: New Year’s Day, Good Friday, Easter Monday, May Day, Ascension Day, Whit Monday, Luxembourg National Day, Assumption Day, German Unity Day, All Saints’ Day, Christmas Eve, Christmas Day, Boxing Day and New Year's Eve.

\* The minimum investment amount does not apply if the investor has concluded an investment advisory agreement with Carnot Capital AG.

\*\* Redemption requests for units in unit classes D EUR and D CHF must be received by the Management Company 10 valuation days before the relevant valuation day. This adjustment is valid from 12 January 2017.

<sup>8</sup> The new calculation of the NAV is valid from 12 January 2017

- date of first audited annual report:	31 December 2016															
- first unaudited semi-annual report:	30 June 2016															
Dividend policy:	Accumulation															
Denomination of units:	Bearer units are issued in the form of global certificates or using the Central Facility for Funds (CFF) procedure at Clearstream Luxembourg															
Stock exchange listing:	Not planned															
Domicile:	Luxembourg, Germany, Switzerland															
Security ID numbers:	<table> <thead> <tr> <th></th> <th><u>Security code</u></th> <th><u>ISIN</u></th> </tr> </thead> <tbody> <tr> <td>Unit class B EUR</td> <td>A141AX</td> <td>LU1296765230</td> </tr> <tr> <td>Unit class B CHF</td> <td>A141A0</td> <td>LU1296765586</td> </tr> <tr> <td>Unit class D EUR</td> <td>A141A1</td> <td>LU1296765669</td> </tr> <tr> <td>Unit class D CHF</td> <td>A141A2</td> <td>LU1296765743</td> </tr> </tbody> </table>		<u>Security code</u>	<u>ISIN</u>	Unit class B EUR	A141AX	LU1296765230	Unit class B CHF	A141A0	LU1296765586	Unit class D EUR	A141A1	LU1296765669	Unit class D CHF	A141A2	LU1296765743
	<u>Security code</u>	<u>ISIN</u>														
Unit class B EUR	A141AX	LU1296765230														
Unit class B CHF	A141A0	LU1296765586														
Unit class D EUR	A141A1	LU1296765669														
Unit class D CHF	A141A2	LU1296765743														
Performance (capital appreciation):	An overview per relevant sub-fund/unit class is contained in the Key Investor Information.															

**Sub-fund PPF II (“PMG Partners Funds II”) – Padma India Fund<sup>9</sup>**

Sub-fund launch:		30/12/2015
Initial issue date:	Unit class R USD	30/12/2015
	Unit class I USD	30/12/2015
	Unit class D USD	n/a
	Unit class S USD	n/a
	Unit class R EUR	13/04/2017
	Unit class I EUR	13/04/2017
	Unit class D EUR	n/a
	Unit class S EUR	n/a
	Unit class R CHF	13/07/2017
	Unit class I CHF	13/07/2017
	Unit class D CHF	n/a
	Unit class S CHF	n/a
Initial issue price: (plus subscription fee)	Unit classes	USD/EUR/CHF 100
Unit classes		R USD I USD D USD S USD R EUR I EUR D EUR S EUR R CHF I CHF D CHF S CHF
Minimum initial investment	R unit classes	USD/EUR/CHF 100
	I unit classes	USD/EUR/CHF 100,000
	D unit classes	USD/EUR/CHF 1,000,000
	Unit class S	USD/EUR/CHF 10,000,000
Minimum initial investment for subsequent subscriptions:		USD/EUR/CHF 100
Calculation of the net asset value <sup>10</sup> :		daily; NAV calculation of D-1
Subscription fee as a percentage of the net asset value: (in favour of the Distributors)	Unit classes R and I Unit classes D and S	up to 3% None
Redemption fee as a percentage of the net asset value: (In favour of the sub-fund’s assets)		None
Conversion fee as a percentage of the net asset value of the sub-fund or class of units in which the conversion is to be made: (in favour of the Distributors)		none
Management fee (incl. fee for any representatives in other countries and distributors in percentage of the net sub-fund assets)		up to 0.30% p.a., at least USD 47,500 p.a.

<sup>9</sup> If no different information is provided in the following overview, these are identical for all unit classes. All figures for fees are subject to VAT, if applicable. Units in unit classes I and S are exclusively reserved for institutional investors. **Units in unit class D are exclusively available to investors that have concluded a separate contract with the Fund Manager.**

<sup>10</sup> The valuation day is any banking and trading day in Luxembourg and Frankfurt am Main. The following are not valuation days: New Year’s Day, Good Friday, Easter Monday, May Day, Ascension Day, Whit Monday, Luxembourg National Day, Assumption Day, German Unity Day, All Saints’ Day, Christmas Eve, Christmas Day, Boxing Day and New Year’s Eve.

Depository fee (as a % of the sub-fund's net assets)		Up to 0.04% p.a. Minimum USD 12,500 p.a.
Investment Manager fee (from the sub-fund's assets)	R unit classes I unit classes D unit classes Unit class S	up to 1.60% p.a. up to 1.20% p.a. 0.00% up to 1.00% p.a.
<b>Performance fee</b> (unit classes R and I)	<p>The Investment Manager additionally receives a performance fee, which is calculated each day on the basis of the net asset value of the sub-fund and set aside. If a performance fee is due for a particular financial year, it will be fixed and paid out at the end of that financial year. The performance fee is payable only if the following conditions are met on a cumulative basis:</p> <p>A) The performance of the net asset value of the sub-fund, as calculated on a daily basis, must exceed that of the benchmark – the hurdle rate index value – which is defined in detail below. The hurdle rate index value is equal to the value of the benchmark index, which is calculated on every valuation day on an indexed basis. The benchmark index is the NSE S&amp;P CNX NIFTY Index.</p> <p>B) The net asset value of the respective sub-fund, used to calculate a performance fee, must be higher than the relevant high watermark. The relevant high watermark corresponds to the highest net asset value per unit (before the performance fee) of all earlier financial year ends. The initial issue price (without sales commission) is the first valid high watermark.</p> <p>If the sub-fund's net asset value on the calculation date is higher than the hurdle rate index value and the net asset value is higher than the valid high watermark (before deducting the performance fee), a performance fee of 10% is charged on the difference between the net asset value of the sub-fund on the one hand, and the hurdle rate index value or valid high watermark – whichever is higher – on the other. The performance fee is calculated on the basis of the average number of units in circulation in that sub-fund.</p> <p>The performance fee cannot be reimbursed if the net asset value falls after deduction of the performance fee.</p>	
Reference currency of the sub-fund:		USD
Reference currency of the unit classes:	Unit class R USD Unit class I USD Unit class D USD Unit class S USD Unit class R EUR Unit class I EUR Unit class D EUR Unit class S EUR Unit class R CHF Unit class I CHF Unit class D CHF Unit class S CHF	USD USD USD USD EUR EUR EUR EUR CHF CHF CHF CHF
Currency:		EUR
End of the financial year:		31 December
- First financial year:		31 December 2015
- date of first audited annual report:		31 December 2016
- first unaudited semi-annual report:		30 June 2016
Dividend policy:		Accumulation
Denomination of units:		Bearer units are issued in the form of global certificates or using the Central Facility for Funds (CFF) procedure at Clearstream Luxembourg
Stock exchange listing:		Not planned
Domicile:		Luxembourg, Germany, Switzerland

Security ID numbers:	<u>Security code</u>	<u>ISIN</u>
Unit class R USD	A141AY	LU1296765313
Unit class I USD	A141A3	LU1296765826
Unit class D USD		
Unit class S USD		
Unit class R EUR	A2AMWV	LU1422844305
Unit class I EUR	A2AMWW	LU1422844487
Unit class D EUR		
Unit class S EUR		
Unit class R CHF	A2AMWX	LU1422844560
Unit class I CHF	A2AMWY	LU1422844644
Unit class D CHF		
Unit class S CHF		

Performance (capital appreciation): An overview per relevant sub-fund/unit class is contained in the Key Investor Information.

Issue, redemption and conversion of units  
Subscription, redemption and conversion requests received by the Company by 16:00 at the latest (Luxembourg time) on a valuation day are processed on the basis of the issue or redemption price applicable on the second following valuation day. Subscription, redemption and conversion requests received after 16:00 (Luxembourg time) are processed on the basis of the issue or redemption price applicable on the third following valuation day. The subscription or redemption price for the relevant valuation day is calculated on the next bank business day.

Payment of the issue price  
The issue price is payable in the base currency of the respective sub-fund within two bank business days of the relevant valuation day.

Payment of the redemption price  
The redemption price is paid (usually in the currency of the respective sub-fund or unit class) within two – but at the latest after fifteen – banking days after the relevant valuation day.

**Sub-fund PPF II (“PMG Partners Funds II”) – MRB High Yield Bond Fund<sup>11</sup>**

Sub-fund launch:		30/11/2016
Initial issue date:	Unit class R EUR	30/11/2016
	Unit class R USD	30/11/2016
Initial issue price: (plus subscription fee)		EUR/USD 100
Unit classes		R EUR R USD
Minimum investment amount:		none
Calculation of the net asset value <sup>12</sup> :		daily; NAV calculation of D-1
Subscription fee as a percentage of the net asset value: (in favour of the Distributors)		up to 3%
Redemption fee as a percentage of the net asset value: (In favour of the sub-fund’s assets)		up to 0.50%
Conversion fee as a percentage of the net asset value of the sub-fund or class of units in which the conversion is to be made: (in favour of the Distributors)		none
Management fee (incl. fee for any representatives in other countries and distributors in percentage of the net sub-fund assets)		Up to 0.30% p.a., Minimum EUR 45,000 p.a.
Depository fee (as a % of the sub-fund's net assets)		Up to 0.04% p.a., Minimum EUR 10,000 p.a.
Investment Manager fee (from the sub-fund’s assets)		up to 1.5% p.a.
Reference currency of the sub-fund:		EUR
Reference currency of the unit classes:	Unit class R EUR	EUR
	Unit class R USD	USD
Currency:		EUR
End of the financial year:		31 December
- First financial year:		31 December 2016
- date of first audited annual report:		31 December 2016
- first unaudited semi-annual report:		30 June 2016
Dividend policy:		accumulation
Denomination of units:		Bearer units are issued in the form of global certificates or using the Central Facility for Funds (CFF) procedure at Clearstream Luxembourg
Stock exchange listing:		Not planned

<sup>11</sup> If no information to the contrary is provided in the following overview, these are identical for all unit classes. All figures for fees are subject to VAT, if applicable. Units in unit class I are exclusively reserved for institutional investors.

<sup>12</sup> The valuation day is any banking and trading day in Luxembourg and Frankfurt am Main. The following are not valuation days: New Year’s Day, Good Friday, Easter Monday, May Day, Ascension Day, Whit Monday, Luxembourg National Day, Assumption Day, German Unity Day, All Saints’ Day, Christmas Eve, Christmas Day, Boxing Day and New Year's Eve.

Domicile: Luxembourg, Germany, Switzerland, Austria

Security ID numbers:		<u>Security code</u>	<u>ISIN</u>
	Unit class R EUR	A2AMWS	LU1422844057
	Unit class R USD	A2AMWT	LU1422844131

Performance (capital appreciation): An overview per relevant sub-fund/unit class is contained in the Key Investor Information.

**Sub-fund PPF II (“PMG Partners Funds II”) – PA Stabilized European Dividend Income Fund<sup>13</sup>**

Sub-fund launch:		31 October 2016
Initial issue date:	Unit class A	31 October 2016
	Unit class P	31 October 2016
	Unit class S	31 October 2016
Initial issue price: (plus subscription fee)		EUR 100
Unit classes		A) P) S
Minimum investment amount:	Unit class A	none
	Unit class P	EUR 75,000
	Unit class S	EUR 10,000,000
Calculation of the net asset value <sup>14</sup> :		daily; NAV calculation of D-1
Subscription fee as a percentage of the net asset value: (in favour of the Distributors)	Unit class A	up to 3%
	Unit class P	None
	Unit class S	None
Redemption fee as a percentage of the net asset value: (In favour of the sub-fund’s assets)	Unit class A	Up to maximum 1%
	Unit class P	Up to maximum 1%
	Unit class S	Up to maximum 1%
Conversion fee as a percentage of the net asset value of the sub-fund or class of units in which the conversion is to be made: (in favour of the Distributors)		none
Management fee (incl. fee for any representatives in other countries and distributors in percentage of the net sub-fund assets)		Up to 0.30% p.a., Minimum EUR 45,000 p.a.
Depositary fee (as a % of the sub-fund's net assets)		Up to 0.04% p.a., Minimum EUR 10,000 p.a.
Investment Manager fee (from the sub-fund’s assets)	Unit class A	Up to maximum 1.6% p.a.
	Unit class P	Up to maximum 1.1% p.a.
	Unit class S	Up to maximum 0.85% p.a.

<sup>13</sup> If no information to the contrary is provided in the following overview, these are identical for all unit classes. All figures for fees are subject to VAT, if applicable. Units in unit classes P and S are exclusively reserved for institutional investors.

<sup>14</sup> The valuation day is any banking and trading day in Luxembourg and Frankfurt am Main. The following are not valuation days: New Year’s Day, Good Friday, Easter Monday, May Day, Ascension Day, Whit Monday, Luxembourg National Day, Assumption Day, German Unity Day, All Saints’ Day, Christmas Eve, Christmas Day, Boxing Day and New Year's Eve.



Performance fee: (from the sub-fund assets of unit classes A, P and S)

The Investment Manager additionally receives a performance fee, which is calculated each day on the basis of the net asset value of the corresponding unit class and set aside. If a performance fee is due for a particular financial year, it will be fixed and paid out at the end of that financial year. There is an unconditional annual reset and no High Water Mark. The performance fee is payable only if the share price is above the High Watermark and if the following conditions are met on a cumulative basis:

A) The net asset value of the unit class used to calculate a performance fee must record positive performance over the calculation period.

B) The performance of the net asset value of the unit class, as calculated on a daily basis, must exceed that of the benchmark – the hurdle rate index – which is defined in detail below. The hurdle rate index value is equal to the value of the benchmark index, which is calculated on every valuation day on an indexed basis. The benchmark index is the EURO STOXX 50 Index.

The High Water Mark in force is the historical highest value of all share values as per prior year end, in which there has been a locking up of a performance fee. The Net Asset Value on the Effective Date of this Regulation is the first valid High Water Mark.

The result determination for the unit class takes place after charging the aforementioned management fee and any other costs chargeable under the Management Regulations.

If a new historical highest value is reached, the performance of the share class is positive during the calculation period and is above the hurdle rate index value under consideration of the High Water Mark, a performance fee of 10% will be charged on the outperformance of the share class against the performance of the hurdle rate index value. The performance fee is calculated on the basis of the average number of units of the unit class in circulation during the calculation period.

The performance fee cannot be reimbursed if the net asset value falls after deduction of the performance fee.

Reference currency of the sub-fund:	EUR	
Currency:	EUR	
End of the financial year:	31 December	
- First financial year:	31 December 2016	
- date of first audited annual report:	31 December 2016	
- first unaudited semi-annual report:	30 June 2017	
Dividend policy:	Distributing	
Denomination of units:	Bearer units are issued in the form of global certificates or using the Central Facility for Funds (CFF) procedure at Clearstream Luxembourg	
Stock exchange listing:	Not planned	
Domicile:	Luxembourg, Germany, Switzerland, Austria	
Security ID numbers:	Security code	ISIN
	Unit class A	A2AQ8V LU1479420108
	Unit class P	A2AQ8W LU1479420793
	Unit class S	A2AQ8X LU1479422575
Performance (capital appreciation):	An overview per relevant sub-fund/unit class is contained in the Key Investor Information.	

**Sub-fund PPF II (“PMG Partners Funds II”) – Kingwest US Equity Fund<sup>9</sup>**

Sub-fund launch:		30/10/2017
Initial issue date:	Unit class R	30/10/2017
	Unit class I	30/10/2017
Initial issue price: (plus subscription fee)		USD 100
Unit classes:		R I
Minimum initial subscription:	Unit class R	none
	Unit class I	USD 0.25 million
Calculation of the net asset value <sup>10</sup> :		daily; NAV calculation of D-1
Subscription fee as a percentage of the net asset value: (in favour of the Distributors)		up to 3%
Redemption fee as a percentage of the net asset value: (In favour of the sub-fund’s assets)		up to 2%
Conversion fee as a percentage of the net asset value of the sub-fund or class of units in which the conversion is to be made: (in favour of the Distributors)		none
Management fee (incl. fee for any representatives in other countries and distributors in percentage of the net sub-fund assets)		up to 0.30% p.a., Minimum EUR 40,000 p.a.
Depositary fee (as a % of the sub-fund's net assets)		up to 0.04% p.a., Minimum EUR 10,000 p.a.
Investment Manager fee (from the sub-fund’s assets)	Unit class R	Up to 1.7% p.a.
	Unit class I	up to 1.5% p.a.
Reference currency of the sub-fund:		USD
Reference currency of the unit classes:		USD
Currency:		EUR
End of the financial year:		31 December
- First financial year:		31 December 2017
- date of first audited annual report:		31 December 2017
- first unaudited semi-annual report:		30 June 2018
Dividend policy:		accumulation

<sup>9</sup> If no different information is provided in the following overview, these are identical for all unit classes. All figures for fees are subject to VAT, if applicable. Units of unit class I are only available to institutional investors for subscription.

<sup>10</sup> The valuation day is any banking and trading day in Luxembourg and Frankfurt am Main. The following are not valuation days: New Year’s Day, Good Friday, Easter Monday, May Day, Ascension Day, Whit Monday, Luxembourg National Day, Assumption Day, German Unity Day, All Saints’ Day, Christmas Eve, Christmas Day, Boxing Day and New Year's Eve.

Denomination of units:	Bearer units are issued in the form of global certificates or using the Central Facility for Funds (CFF) procedure at Clearstream Luxembourg		
Stock exchange listing:	Not planned		
Domicile:	Luxembourg, Switzerland, Germany, Austria		
Security ID numbers:		<u>Security code</u>	<u>ISIN</u>
	Unit class R	A2DMZC	LU1576637471
	Unit class I	A2DMZD	LU1576637554
Performance (capital appreciation):	An overview per relevant sub-fund/unit class is contained in the Key Investor Information.		

**Sub-fund PPF II (“PMG Partners Funds II”) – Culross Global Macro Fund<sup>11</sup>**

Sub-fund launch:		26/04/2017
Initial issue date:	Unit class USD R	n/a
	Unit class USD I	26/04/2017
	Unit class GBP R	26/04/2017
	Unit class GBP I	26/04/2017
	Unit class EUR I	n/a
Initial issue price: (plus subscription fee)		USD/GBP/EUR 100
Unit classes:		USD R USD I GBP R GBP I EUR I
Minimum initial subscription:	R unit classes	USD/GBP 5,000
	I unit classes	USD/GBP/EUR 5 million
Calculation of the net asset value <sup>12</sup> :		weekly; on Wednesdays NAV calculation of D-1
Subscription fee as a percentage of the net asset value: (in favour of the Distributors)		up to 3%
Redemption fee as a percentage of the net asset value: (In favour of the sub-fund’s assets)		up to 2%
Conversion fee as a percentage of the net asset value of the sub-fund or class of units in which the conversion is to be made: (in favour of the Distributors)		none
Management fee (incl. fee for any representatives in other countries and distributors in percentage of the net sub-fund assets)		up to 0.30% p.a., Minimum EUR 40,000 p.a.
Depositary fee (as a % of the sub-fund's net assets)		up to 0.04% p.a., Minimum EUR 10,000 p.a.
Investment Manager fee (from the sub-fund’s assets)	R unit classes	up to 0.90% p.a.
	I unit classes	up to 0.65% p.a.

<sup>11</sup> If no different information is provided in the following overview, these are identical for all unit classes. All figures for fees are subject to VAT, if applicable. Units of unit class I are only available to institutional investors for subscription.

<sup>12</sup> The valuation day is any Wednesday that is also a trading day in Luxembourg and Frankfurt am Main. The following are not valuation days: New Year’s Day, Good Friday, Easter Monday, May Day, Ascension Day, Whit Monday, Luxembourg National Day, Assumption Day, German Unity Day, All Saints’ Day, Christmas Eve, Christmas Day, Boxing Day and New Year's Eve.

Performance fee:	<p>The Investment Manager additionally receives a performance fee, which is calculated each day on the basis of the net asset value of the sub-fund and set aside. If a performance fee is due for a particular financial year, it will be fixed and paid out at the end of that financial year. The performance fee is payable only if the following condition is met:</p> <p>The net asset value of the respective sub-fund, used to calculate a performance fee, must be higher than the relevant high watermark. The relevant high watermark corresponds to the highest net asset value per unit (before the performance fee) at which a performance fee was paid. The initial issue price (without sales commission) is the first valid high watermark.</p> <p>If the net asset value is higher than the valid high watermark on the calculation date (before deducting the performance fee), a performance fee of 10% is charged on the difference between the net asset value and the valid high watermark. The performance fee is calculated on the basis of the average number of units in circulation in that sub-fund.</p> <p>The performance fee cannot be reimbursed if the net asset value falls after deduction of the performance fee.</p>		
Reference currency of the sub-fund:		USD	
Reference currency of the unit classes:	Unit class USD R	USD	
	Unit class USD I	USD	
	Unit class GBP R	GBP	
	Unit class GBP I	GBP	
	Unit class EUR I	EUR	
Currency:		EUR	
End of the financial year:		31 December	
- First financial year:		31 December 2017	
- date of first audited annual report:		31 December 2017	
- first unaudited semi-annual report:		30 June 2017	
Dividend policy:		accumulation	
Denomination of units:		Bearer units are issued in the form of global certificates or using the Central Facility for Funds (CFF) procedure at Clearstream Luxembourg	
Stock exchange listing:		Not planned	
Domicile:		Luxembourg, Switzerland, Austria, UK	
Security ID numbers:		<u>Security code</u>	<u>ISIN</u>
	Unit class USD R	A2DMY6	LU1576637984
	Unit class USD I	A2DMY7	LU1576638016
	Unit class GBP R	A2DMY8	LU1576638107
	Unit class GBP I	A2DMY9	LU1576638289
	Unit class EUR I	A2DMZA	LU1576638362
Performance (capital appreciation):	An overview per relevant sub-fund/unit class is contained in the Key Investor Information.		

Issue, redemption and conversion of units

Subscription, redemption and conversion requests received by the Company by 17:00 at the latest (Luxembourg time) three bank business days before the next valuation day are processed on the basis of the issue or redemption price applicable on that valuation day. Subscription, redemption and conversion requests received after this time are processed on the basis of the issue and redemption price on the second following valuation day. The subscription or redemption price for the relevant valuation day is calculated on the next bank business day.

**Sub-fund PPF II (“PMG Partners Funds II”) – SMAG Global Equity Fund<sup>13</sup>**

Sub-fund launch:		18/04/2017
Initial issue date:	Unit class CHF R Unit class USD I Unit class CHF I	18/04/2017 18/04/2017 18/04/2017
Initial issue price: (plus subscription fee)		USD/CHF 100
Unit classes:		CHF R USD I CHF I
Minimum initial subscription:	Unit class CHF R I unit classes	none USD/CHF 100,000
Calculation of the net asset value <sup>14</sup> :		daily; NAV calculation of D-1
Subscription fee as a percentage of the net asset value: (in favour of the Distributors)		None
Redemption fee as a percentage of the net asset value: (In favour of the sub-fund’s assets)	Unit class CHF R I unit classes	up to 2% up to 1%
Conversion fee as a percentage of the net asset value of the sub-fund or class of units in which the conversion is to be made: (in favour of the Distributors)		none
Management fee (incl. fee for any representatives in other countries and distributors in percentage of the net sub-fund assets)		up to 0.30% p.a., Minimum EUR 40,000 p.a.
Depositary fee (as a % of the sub-fund's net assets)		up to 0.04% p.a., Minimum EUR 10,000 p.a.
Investment Manager fee (from the sub-fund’s assets)	Unit class CHF R I unit classes	up to 1.5% p.a. up to 1% p.a.
Reference currency of the sub-fund:		USD
Reference currency of the unit classes:	Unit class CHF R Unit class USD I Unit class CHF I	CHF USD CHF
Currency:		EUR
End of the financial year:		31 December
- First financial year:		31 December 2017
- date of first audited annual report:		31 December 2017
- first unaudited semi-annual report:		30 June 2017
Dividend policy:		accumulation

<sup>13</sup> If no different information is provided in the following overview, these are identical for all unit classes. All figures for fees are subject to VAT, if applicable.

<sup>14</sup> The valuation day is any banking and trading day in Luxembourg and Frankfurt am Main. The following are not valuation days: New Year’s Day, Good Friday, Easter Monday, May Day, Ascension Day, Whit Monday, Luxembourg National Day, Assumption Day, German Unity Day, All Saints’ Day, Christmas Eve, Christmas Day, Boxing Day and New Year's Eve.

Denomination of units:	Bearer units are issued in the form of global certificates or using the Central Facility for Funds (CFF) procedure at Clearstream Luxembourg	
Stock exchange listing:	Not planned	
Domicile:	Luxembourg, Germany	
Security ID numbers:	<u>Security code</u>	<u>ISIN</u>
	Unit class CHF R	A2DMZF LU1576638958
	Unit class USD I	A2DMZG LU1576639097
	Unit class CHF I	A2DMZH LU1576639170
Performance (capital appreciation):	An overview per relevant sub-fund/unit class is contained in the Key Investor Information.	



## Management and Administration

**Management Company**  
Central Administration:

LRI Capital Management SA  
9A, rue Gabriel Lippmann  
L-5365 Munsbach

(Equity capital as at 09/03/2019: EUR 7.77 million)

**Management Company bodies:**

Supervisory Board

Mr David Rhydderch  
Chairman:  
Global Head of Regulated Products  
Apex Fund Services (Malta) Limited, Luxembourg Branch  
2, boulevard de la Foire  
L- 1528 Luxembourg

Mr Thondikulam Easwaran Srikumar  
Global Head of Fund Administration  
Apex Fund Services (Malta) Limited, Luxembourg Branch  
2, boulevard de la Foire  
L- 1528 Luxembourg

Executive Board:

Mr Frank de Boer  
Executive Board  
LRI Capital Management SA

Mr Utz Schüller  
Executive Board  
LRI Capital Management SA

Thomas GRÜNEWALD  
Executive Board  
LRI Capital Management SA

**Depository and Transfer Agent:**

European Depository Bank SA  
3, rue Gabriel Lippmann  
L-5365 Munsbach

**Auditors:**  
company)

PricewaterhouseCoopers, *Société coopérative* (cooperative  
company)  
2 Rue Gerhard Mercator  
L-2182 Luxembourg

<b>Investment Manager for the sub-funds PPF II (“PMG Partners Funds II”) – Global Infrastructure Network Fund, PPF II (“PMG Partners Funds II”) – Culross Global Macro Fund and PPF II (“PMG Partners Funds II”) – SMAG Global Equity Fund:</b>	PMG Fonds Management AG Sihlstrasse 95 CH-8001 Zurich
<b>Investment Manager for the sub-fund PPF II (“PMG Partners Funds II”) – Carnot Efficient Resources:</b>	Carnot Capital AG Schaffhauserstrasse 418 CH-8050 Zurich
<b>Investment Manager for the sub-fund PPF II (“PMG Partners Funds II”) – MRB High Yield Bond Fund:</b>	MRB Vermögensverwaltungs AG Fraumünsterstrasse 11 CH-8001 Zurich
<b>Investment Manager for the sub-funds PPF II (“PMG Partners Funds II”) – Padma India Fund and PPF II (“PMG Partners Funds II”) – PA Stabilized European Dividend Income Fund:</b>	Picard Angst AG Bahnhofstrasse 13 CH-8808 Pfäffikon, Switzerland
<b>Investment Manager for the sub-fund PPF II (“PMG Partners Funds II”) – Kingwest US Equity Fund:</b>	Kingwest & Company 86, Avenue Road Toronto ON M5R 2H2, Canada
<b>Sub-Investment Manager for the sub-fund PPF II (“PMG Partners Funds II”) – Global Infrastructure Network Fund:</b>	LPX AG Florastrasse 17 CH-8008 Zurich, Switzerland
<b>Sub-Investment Manager for the sub-fund PPF II (“PMG Partners Funds II”) – Culross Global Macro Fund:</b>	Culross Global Investment Management Ltd Forni 2E, Valletta Waterfront Floriana FRN1913, Malta

**Paying Agents:**

in Luxembourg (Principal Paying Agent):	European Depository Bank SA 3, rue Gabriel Lippmann L-5365 Munsbach
Paying Agent/Information Agent: in the Federal Republic of Germany	M.M.Warburg & CO (AG & Co) KGaA Ferdinandstraße 75 D-20095 Hamburg
Paying Agent/Information Agent in Austria:	Erste Bank der österreichischen Sparkassen AG Am Belvedere 1 A-1100 Vienna
Paying Agent/Information Agent in the Switzerland:	InCore Bank AG Wiesenstrasse 17 CH-8952 Schlieren, Switzerland
Representative in Switzerland:	PMG Fonds Management AG Sihlstrasse 95 CH-8001 Zurich

## Management Regulations

### Article 1 The Fund

1. The PPF II (“PMG Partners Funds II”) (the “Fund”) was established as an undertaking for collective investment in transferable securities (“UCITS”) in the form of a mutual fund (*fonds commun de placement*) by LRI Capital Management SA (the “Management Company”).
2. The Fund consists of one or more sub-funds within the meaning of Article 181 of the Law of 17. December 2010 on Undertakings for Collective Investment (the "Law of 2010"). The range of sub-funds make up the Fund. Each investor participates in the Fund's assets by investing in one of the sub-fund. The net assets of the Fund must be at least equal to EUR 1,250,000.-- within 6 months of the date the Fund is approved.

Each sub-fund is regarded as a separate co-ownership of assets as far as the relationship between the unitholders is concerned. The rights and obligations of unitholders of a sub-fund are separate from those of unitholders of other sub-funds. In terms of investments and investment policy as per Article 4, too, each sub-fund is regarded as a separate fund.

In relation to third parties, the assets of a sub-fund shall be solely responsible for the liabilities attributable to that sub-fund.

3. The legal rights and obligations of the unitholders, the Management Company and the Depositary are governed by the Management Regulations, which are prepared by the Management Company.

Each unitholder shall be aware of the Management Regulations as well as all amendments to the same when purchasing units.

### Article 2 Management of the Fund

1. The Management Company is LRI Capital Management SA, a public limited company under Luxembourg law with its registered office in Munsbach.
2. The Management Company manages the Fund acting in its own name but in the sole interest and for the joint account of all unitholders. The administrative powers extend to the exercise of all rights directly or indirectly associated with the assets of the individual sub-funds.
3. The Management Company establishes the investment policy of each sub-fund in consideration of the legal and contractual investment restrictions. The Board of Directors of the Management Company may appoint one or more of its members as well as other natural or legal persons to implement the daily investment policy.
4. The Management Company may be supported by an investment manager and/or investment advisor in the investment of the Fund’s assets. The investment manager and/or advisor is appointed by the Management Company. In the event that an investment manager and/or advisor is appointed by the Management Company, this shall be stated in the Prospectus.

The duties of the investment manager and/or advisor include, in particular, monitoring the financial markets, analysis of the portfolio composition of each sub-fund and making investment suggestions to the Management Company in consideration of the investment policy of each sub-fund and the investment restrictions.

The duties of the investment manager may include, in particular, the implementation of the daily investment policy of the respective sub-fund within the meaning of paragraph 3, sentence 2.

### Article 3 The Depositary

1. The appointment of the Depositary and Transfer Agent is made by the Management Company.
2. Sole Depositary of the Fund is European Depositary Bank SA with registered office at in 3, rue Gabriel Lippmann, L-5365 Munsbach. The Depositary is a public limited liability company under the law of the Grand Duchy of Luxembourg and conducts banking business. The rights and obligations of the Depositary comply with the Law of 17 December 2010, the Custodian Agreement, this Prospectus and these Management Regulations.
3. In performing its functions, the Depositary shall act honestly, fairly, professionally, independently and in the interest of the Fund and its investors.

4. All securities and other assets of the Fund shall be held in safekeeping by the Depositary in accounts and deposits, authority over which may only be exercised in accordance with the provisions contained in these Management Regulations. The Depositary may, on its own responsibility, request the custody of the securities and other assets by other banks and securities clearing and deposit banks.
5. To the extent permitted by law, the Depositary is authorised and obliged in its own name
  - to assert claims of unitholders against the Management Company or a previous Depositary;
  - to object to actions brought by third parties and to take appropriate measures in the case of enforcement of claims for which the assets of the respective sub-fund are not liable.
6. The Depositary must follow the instructions of the Management Company, provided such instructions do not contradict the law, the Management Regulations or the respective valid Prospectus of the Fund.
7. The Depositary is entitled to terminate its appointment at any time in accordance with the respective Depositary agreement. In such case, the Management Company is obliged to dissolve the Fund in accordance with Article 16 of the Management Regulations or to appoint another bank as Depositary within two months with the approval of the responsible supervisory authority; up to then the former Depositary shall continue to fulfil its obligations as Depositary without reservation for the protection of the interests of the unitholders.
 

Likewise, the Management Company is entitled to terminate the Depositary mandate at any time in accordance with the respective Depositary agreement. Such termination essentially involves the dissolution of the Fund in accordance with Article 16 of these Management Regulations if the Management Company has not previously appointed another bank as Depositary with the approval of the responsible supervisory authority to take over the legal functions of the previous Depositary.
8. The Depositary shall not perform any functions with regard to the Fund or the Management Company acting on behalf of the Fund that may create conflicts of interest between the Fund, the investors of the Fund, the Management Company as well as the agents of the Depositary and itself. This does not apply unless the Depositary has functionally and hierarchically separated the performance of its Depositary functions from its other potentially conflicting functions and the potential conflicts of interest are duly identified, managed, monitored and disclosed to the investors of the Fund.

#### **Article 4 Investment policy, investment restrictions**

##### **1. Definitions**

The following definitions shall apply:

- "Third state": shall mean any European state which is not a member of the European Union, any American, African, Asian, Australian or Oceania state, under these Management Regulations.
- "Money market instrument": Instruments within the meaning of article 3 of the Grand-Ducal regulation of 8 February 2008 that are normally traded on the money market, are liquid and whose value may be accurately determined at any time.
- "UCI": Undertaking for Collective Investment.
- "UCITS": Undertaking for Collective Investment in Transferable Securities, governed by Directive 2009/65/EC.
- "Transferable security":
  - Equities and other securities similar to equities ("equities");
  - Bonds and other debt instruments ("bonds")
  - all other transferable securities within the meaning of article 3 of the Grand-Ducal Regulation of 8 February 2008 that bestow a right to acquire securities by subscription or conversion, excluding the techniques and instruments referred to in section 7 of this Article.

##### **2. Investment policy**

The key objective of the investment policy is the long-term appreciation of the capital invested by clients.

For this purpose, it is intended that the assets of the individual sub-funds will be invested in the instruments referred to in No. 3. below in accordance with the principle of risk-spreading and in line with the respective investment policy. The investment policy of each sub-fund is described in the Prospectus.

If the individual sub-funds invest in securities issued by companies whose registered office is in Russia, or which are domiciled in Russia, these investments shall be made exclusively via global depository receipts (GDRs) or American depository receipts (ADRs).

The investment limits concerning securities traded on a stock exchange or on another regulated market are applicable provided these securities are issued by companies whose registered office is in Russia, or which are domiciled in Russia, and if these securities are secured by global depository receipts (GDRs) or American depository receipts (ADRs) issued by first-class financial institutions. ADRs are issued and promoted by US banks. They grant the right to acquire securities, which were issued by issuers and are deposited in a US bank or in a correspondent bank in the USA. GDRs are deposit certificates which are issued by a US bank, a European bank or by another financial institution and which have the same characteristics as ADRs. ADRs and GDRs need not necessarily be denominated in the same currency as the underlying securities.

Investment of the assets of the individual sub-funds is subject to the following general investment provisions and restrictions, which in principle, unless indicated otherwise, apply separately to each sub-fund. This does not apply to the restrictions laid down in No. 5 (1), which apply to the Fund's total net assets as they result from the addition of the assets of all sub-funds less related liabilities ("net assets").

### **3. The Fund's investments may consist of the following assets:**

On account of a sub-fund's specific investment policy, it is possible that some of the investment options mentioned below will not apply to specific sub-funds. This will be mentioned in the Prospectus of the Fund, if applicable.

- a) Securities and money market instruments that are listed or traded on a regulated market in accordance with Article 4 (14) of Directive 2004/39/EC of 21 April 2004 on markets in financial instruments, as amended.
- b) Transferable securities and money market instruments which are traded on another market in a Member State of the European Union which is regulated, operates regularly and is recognised and open to the public;
- c) Transferable securities and money market instruments which are admitted to an official exchange listing or traded on a regulated market of a third state, which operates regularly and is recognised and open to the public;
- d) Newly issued securities and money market instruments, provided the terms of issue include the obligation to apply for permission to trade on a regulated market within the meaning of the conditions laid down in No. 3. a) to c) above and that the permission is received at the latest within one year of issue.
- e) Units of UCITS authorised under Directive 2009/65/EC and/or other UCIs within the meaning of Article 1 (2) (a) and (b) of Directive 2009/65/EC, which have their registered office in a member state of the European Union or in a third state, provided that
  - such other undertakings for collective investment are authorised under laws subjecting them to supervision considered by the CSSF to be equivalent to that laid down in European Community law, and that cooperation between the authorities is sufficiently ensured;
  - the level of protection for unitholders in such other UCIs is equivalent to that provided for unitholders in a UCITS and in particular that the rules on the segregation of assets, borrowing, lending and short selling of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the assets of the UCITS or these other UCIs to be acquired, may, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs;
- f) Sight or call deposits with credit institutions maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State of the European Union or, if the registered office of the credit institution is situated in a third state, provided that it is subject to supervision considered by the CSSF as equivalent to those laid down in Community law;
- g) Financial derivative instruments, i.e. options, futures and derivatives, including equivalent cash-settled instruments traded on a regulated market referred to in subparagraphs a), b) and c) and/or financial derivative instruments not traded on a stock exchange ("OTC derivatives"), provided that
  - the underlying investments consist of instruments covered by No. 3. a) to h), financial indices, interest rates, foreign exchange rates or currencies, in which the Fund or sub-funds may invest according to its investment objectives;

- the counterparties to OTC derivative transactions are institutions subject to prudential supervision and belonging to the categories approved by the CSSF, and
  - the OTC derivatives are subject to reliable and verifiable valuations on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;
- h) Money market instruments other than those traded on a regulated market and which do not come under the aforementioned definition, if the issuer or the issuer of such instruments are themselves regulated for the purpose of protecting investors and deposits, and provided that such instruments are
- issued or guaranteed by a central, regional or local authority or the central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a Third State or, in the case of a federal state, by one of the members making up the federation, or by a public international institution 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 subparagraphs a), b) or c) above, or
  - issued or guaranteed by an institution subject to prudential supervision in accordance with the criteria defined by Community law or by an institution 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 the investments in such instruments are subject to investor protection equivalent to that in the first, second or third indent, and provided the issuer is a company whose equity capital amounts to at least ten million euros (EUR 10,000,000) and which draws up and publishes its annual accounts in accordance with the fourth Directive 78/660/EEC, or is an entity which, within a group of companies that includes one or more listed companies is responsible for the financing of the group, or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

**4. The Fund may also:**

- a) invest up to 10% of its net assets in transferable securities and money market instruments other than those referred to in No. 3.;
- b) in addition, hold liquid funds and similar assets;
- c) borrow the equivalent of up to 10% of its net assets on a short-term basis. Hedging in relation to the sale of options or the purchase/sale of futures and forward contracts is not considered a loan under this investment limit;
- d) acquire foreign currencies via back-to-back loans.

**5. In addition, the following investment limits apply to the Fund's investments:**

- a) The Fund may invest up to 10% of its net assets in transferable securities or money market instruments issued by the same body. The Fund may invest a maximum of 20% of its net assets in deposits made with the same institution. The other provisions of the Management Regulations must also be followed. The counterparty risk of the Fund in OTC derivative transactions may not exceed 10% of its net assets when the counterparty is a credit institution within the meaning of No. 3 (f). For all other cases this limit is a maximum of 5% of the net assets of the Fund.
- b) The total value of the transferable securities and money market instruments held by the Fund in the issuing bodies in each of which it invests more than 5% of its net assets must not exceed 40% of the value of its net assets. This limit does not apply to deposits and OTC derivative transactions effected with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in No. 5. a), the Fund may not combine the following in excess of 20% of its net assets:

- investments in transferable securities or money market instruments issued by a single body,
- deposits made with as single body and/or
- OTC derivatives traded with a single institution.

- c) The limit laid down in the first sentence of No. 5 (a) sentence 1 may be a maximum of 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State of the European Union, by its local authorities, by a non-Member State or by public international bodies of which one or more Member States are members. If the Fund/Sub-fund makes use of this derogation, a corresponding provision will be included in the investment policy.
- d) The limit laid down in the first sentence of No. 5. a) sentence 1 may be a maximum of 25% for certain bonds when they are issued by a credit institution which has its registered office in a Member State of the European Union and which is subject by law to special prudential supervision for the purpose of protecting bondholders. In particular, the sums resulting from the issue of these bonds must be invested pursuant to the law in assets which, during the whole period of validity of the bonds, sufficiently cover the liabilities of these bonds and which, should the issuer default, would be used on a priority basis for the repayment of the principal and payment of the accrued interest.

If the Fund invests more than 5% of its net assets in the bonds issued by a single body referred to in the previous sub-section, the total value of such investments may not exceed 80% of the value of the net assets of the Fund.

- e) The transferable securities and money market instruments referred to in No. 5. c) and d) are not included in the calculation of the limit of 40% laid down in No. 5. b).

The limits set out in No. 5. a), b), c) and d) may not be combined and accordingly, investments in transferable securities or money market instruments issued by the same body, or in deposits or derivatives effected with this body made in accordance with No 5. a), b), c) and d) may not exceed a total of 35% of the net assets of the Fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 83/349/EEC or in accordance with the recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits referred to in subparagraphs a) to e) above.

The Fund may cumulatively invest up to 20% of its net assets in transferable securities and money market instruments within the same group.

- f) Without prejudice to the limits laid down in No. 5. k), l) and m) that follow, the limits laid down in No. 5. a) to e) are raised to a maximum of 20% for investments in equities and/or bonds issued by the same body when the objective of the investment policy of the Fund or sub-fund is to replicate the composition of a certain equity or bond index which is recognised by the CSSF. Provided that:

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

- g) The limit laid down in paragraph No. 5. (f) is raised to 35% where that proves to be justified by exceptional market conditions in particular in regulated markets where certain transferable securities or money market instruments are highly dominant. An investment up to this limit is only permitted for a single issuer.

- h) **By way of derogation from the provisions laid down in No. 5. (a) to (e), the Fund may invest in accordance with the principle of risk-spreading up to 100% of its net assets in transferable securities and money market instruments from different issues and issued or guaranteed by any Member State of the European Union, its local authorities, any other Member State of the EU, OECD, G20, Singapore and Hong Kong or public international bodies of which one or more Member States of the European Union are members, provided that (i) these securities are from at least six different issues, and (ii) securities from any one issue may not account for more than 30% of the total net assets of the Fund.**

- (i) The Fund may acquire units in other UCITS and or other non-UCITS referred to in No. 3. e), provided it invests no more than 20% of its net assets in a single UCITS or a single other non-UCITS.

By virtue of the application of the above investment limits, each sub-fund of an umbrella fund within the meaning of Article 181 of the Law of 2010 shall be treated as a separate issuer so long as each sub-fund remains individually liable to third parties.

- j) Investments in units of non-UCITS may not exceed a total of 30% of the net assets of the Fund.

If the Fund acquires units of a UCITS and/or other UCIs, the assets of the UCITS or the other UCIs concerned shall not be taken into account when calculating the limits referred to in No. 5. a) to e).



If the Fund acquires units of another UCITS and/or other UCIs which are directly or indirectly managed by the same management company or by a different company connected with the management company through joint management or control or through material direct or indirect holding, the management company or the other company shall charge the Fund no fees for the subscription or redemption of units of other UCITS and/or other UCIs.

- k) For all funds under its management, the Management Company shall not acquire sufficient voting shares to enable it to exercise significant influence over the management of the issuer.
- l) Moreover, the Fund may acquire no more than:
  - 10% of the non-voting shares of the same issuer;
  - 10% of the bonds of the same issuer;
  - 25% of the units of the same UCITS and/or other UCI;
  - 10% of the money market instruments of the same issuer.

The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of bonds or money market instruments or the net amount of the instruments in issue cannot be calculated.

- m) The provisions laid down in No. 5. k) and l) are waived as regards:
  - aa) transferable securities and money market instruments issued or guaranteed by a Member State of the European Union or its local authorities;
  - bb) transferable securities and money market instruments issued or guaranteed by a third state;
  - cc) transferable securities and money market instruments issued by public international bodies of which one or more Member States of the European Union are members;
  - dd) units held in the capital of a company incorporated in a non-Member State of the European Union if (i) such a company invests its assets mainly in the securities of issuing bodies having their registered office in that State, (ii) where under the legislation of that State, such a holding represents the only way in which the Fund may invest in the securities of issuing bodies of that State and (iii) this company complies in terms of its investments with the limits laid down in No. 5. a) to e) and No. 5. i) to l).
- n) The Fund may not acquire precious metals or related certificates.
- o) The Fund may not invest in property, but investment is permitted in property-backed securities or interest thereon, or in securities issued by companies that invest in property and the interest thereon.
- p) No loans or guarantees for third parties may be issued from the Fund's assets but this investment restriction shall not prevent the Fund from investing its net assets in securities, money market instruments or other financial instruments referred to in No. 3. e), g) and h) hereabove that are not paid up in full; provided that the Fund has sufficient cash or liquid assets in order to be able to meet the outstanding payments; such reserves may not already be allocated for the sale of options.
- q) Short selling of securities, money market instruments or other financial instruments referred to in No. 3. e), g) and h) is not permitted.

#### **6. Notwithstanding any provision to the contrary contained herein:**

- a) the Fund is not required to apply the investment limits set in No. 3. to 5. hereabove when exercising the subscription rights carried by securities and money market instruments that form part of its assets.
- b) if any of these ceilings are exceeded for reasons that are beyond the control of the Fund or because of the exercise of subscription rights, the Fund shall seek to rectify the situation through sale transactions whilst acting in the interests of its unitholders.
- c) 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 spreading given in no. 5. (a) to (g) and no. 5. (i) and (j), each sub-fund shall be deemed a separate issuer.

- d) newly launched sub-funds may deviate from the investment limits given in No. 5. a) to i) above for a period of six months following approval of the respective sub-fund although they must continue to respect the principle of risk-spreading.

The Fund's Board of Directors may set additional investment limits if necessary to ensure compliance with legal and management requirements in the countries in which the units of the Fund are offered or sold.

## **7. Techniques and instruments**

### **a) General**

For the purpose of hedging, efficient portfolio management, duration and risk management, the Fund may use derivatives and other techniques and instruments subject to the applicable legislation, rules and CSSF circulars.

If such transactions require the use of derivatives, the conditions and limits must comply with the provisions set out in No. 3 to 6 of this Article. Furthermore, the provisions stated below in No. 8. of this Article on risk management procedures shall also apply.

The Fund may under no circumstances deviate from the investment objectives of the respective sub-fund referred to in the Prospectus when effecting transactions involving derivatives and other techniques and instruments.

All income from techniques and instruments for the purpose of efficient portfolio management, less direct and indirect operational costs, must be paid to the respective sub-fund.

The risk of default by the counterparty of the techniques and instruments for efficient portfolio management along with the default risk of the counterparty in OTC derivative transactions must adhere to the counterparty limit in the amount of 5% or 10% stated above in No. 5 a) sentence 3.

In particular, costs and fees for the service providers to the Fund and other intermediaries which provide services in connection with other efficient portfolio management techniques may arise as normal compensation for their services. Such fees may be calculated as a percentage of the net income from the usage of efficient portfolio management techniques and instruments and be charged to the respective sub-fund. Information on direct and indirect operating costs and fees which may occur in this connection and on the identity of the parties to whom such costs and fees are paid, plus any relationship of such parties to the Depositary or any Investment Manager, shall be contained in the Fund's annual report.

Special provisions regarding individual instruments are listed below.

### **b) Securities lending and borrowing**

The Fund may enter as a lender into securities lending transactions provided that they comply with the rules set forth in CSSF circulars 08/356 and 11/512, as well as with the following rules:

- aa) The Fund may lend securities, either directly or indirectly, via a standardised securities lending system organised by a recognised clearing house, or via a securities lending system organised by a financial institution that is subject to supervisory rules regarded by the CSSF as being equivalent to those laid down in Community law and that specialises in this type of operation.  
  
In any event, the borrower must be subject to supervisory rules regarded by the CSSF as being equivalent to those laid down in Community law.
- bb) The Fund must ensure that the extent of the securities lending transactions remains at a reasonable level and may only conduct securities lending transactions if the securities transferred in accordance with the contractual conditions can be transferred back and any securities lending agreements can be terminated at any time.
- cc) The sub-fund's net exposure, i.e. the sub-fund's exposure less the collateral received for one and the same party from one or more securities lending transactions and/or from the repurchase transactions described under c), must be taken into account when applying the 20% limit stipulated in section 5 b) of this Article.
- dd) Securities lending must not exceed 50% of the total value of the securities held in the sub-fund's portfolio.
- ee) Securities lending and borrowing transactions may not extend beyond a period of 30 days.
- ff) The restrictions laid down in points dd) and ee) do not apply where the Fund is entitled at any time to terminate the contract and to request the return of the loaned securities at any time.

### **c) Repurchase agreements**

The Fund may also participate in securities repurchase agreement transactions consisting of the purchase and sale of securities. The Fund must ensure that it is able at any time to obtain repayment of the full monetary amount or is able to terminate the securities repurchase transaction either at the accrued total amount or at a mark-to-market

value. If, in this respect, the Fund agrees to terminate the securities repurchase transaction at a mark-to-market value, the mark-to-market value of the securities lending transaction will be applied to calculate the net asset value.

The Fund may act as either buyer or seller in repurchase agreement transactions or in a series of continuing repurchase transactions. Its participation in these transactions is, however, subject to the following rules:

- aa) The Fund may only conduct securities lending transactions if the return of the securities underlying and transferred under the transaction in accordance with the contractual agreements can be claimed back and the agreed transaction can be terminated at any time.
- bb) The Fund may buy or sell securities via a repurchase agreement transaction only if the counterparty is subject to supervisory rules regarded by the CSSF as being equivalent to those laid down in Community law.
- cc) During the lifetime of a repurchase agreement, the Fund may not sell the securities which are the subject of the agreement until either the right to repurchase these securities has been exercised by the counterparty or the repurchase term has expired.
- dd) As the Fund is subject to redemptions of its own units, it must take care to ensure that the level of exposure to repurchase agreement transactions is such that it is able to meet its redemption obligations at all times.
- ee) The following securities may be bought by the Fund via a repurchase agreement transaction:
  - (i) either short-term bank certificates or else money market instruments as defined in Directive 2007/16/EC of 19 March 2007 implementing Council Directive 85/611/EEC on the coordination of laws, regulations and administrative provisions relating to certain UCITS as regards the clarification of certain definitions;
  - (ii) debt securities issued or guaranteed by a member state of the OECD or by its local authorities or by supranational institutions and organisations of an EU, regional or global nature;
  - (iii) shares or units issued by money market funds and for which the net asset value is calculated on a daily basis and that are assigned an AAA or equivalent rating;
  - (iv) debt securities issued by non-government issuers and offering appropriate liquidity; and
  - (v) shares listed or traded on a regulated market in a member state of the European Union or on a stock exchange of an OECD member state provided these shares are included in a major index.
- ff) These securities must be in line with the sub-fund's investment policy and must, together with the other securities held in the sub-fund's portfolio, adhere as a general principle to the sub-fund's investment restrictions
- gg) The sub-fund's net exposure, i.e. the sub-fund's exposure less the collateral received for one and the same party from one or more securities lending transactions and/or from the repurchase transactions described under c), must be taken into account when applying the 20% limit stipulated in section 5 b) of this Article.

Repurchase agreements shall to be entered into on an occasional basis only.

## **8. Derivatives**

Each sub-fund may use derivatives for hedging purposes and for efficient portfolio management in accordance with the respective investment policy described in more detail in the Prospectus.

Each sub-fund may invest in any derivatives of assets that are permitted to be acquired for the sub-fund or of financial indices, interest rates, exchange rates or currencies. This in particular includes options, financial futures contracts and swaps, and combinations thereof. These can be used not only for hedging purposes but also as part of the respective sub-fund's investment strategy.

The conditions and limits must in particular be in line with the provisions of No. 3 g), No. 3 and No. 8 above. In particular, the stipulations concerning the risk management procedure for derivatives must be taken into consideration.

## **9. Collateral and reinvestment of collateral**

The Management Company may within the framework of the strategy stated in this section receive collateral in connection with OTC derivative transactions and techniques and instruments for efficient portfolio management in order to reduce its counterparty risk. This section sets forth the strategy employed by the Management Company for the respective sub-fund in order to manage collateral.

All assets received by the Management Company in connection with the techniques and instruments for efficient portfolio management (securities lending and securities repurchase transactions) are to be considered as collateral within the meaning of this section.

**a) General provisions**

Collateral received from the Management Company for the respective sub-funds may be used for the purpose of reducing the counterparty risk to which the Management Company is exposed if it meets the requirements, in particular as regards liquidity, valuation, quality in connection with the insolvency of issuers, correlation, risks in relation to the management of collateral and enforceability, laid down in the applicable laws, regulations and circulars issued by the CSSF.

**Admissible collateral**

In addition, collateral for securities lending transactions, reverse repurchase agreements and OTC derivative transactions (excluding currency forward transactions) shall be provided in one of the following forms:

- a. Liquid assets such as cash, short-term bank deposits, money market instruments in accordance with the definition of Directive 2007/16/EC of 19 March 2007, letters of credit and first request guarantees issued by first-class credit institutions not connected to the counterparty, or bonds issued by an OECD member state or its regional authorities or by supranational institutions and authorities on a municipal, regional and international level;
- b. Units of a UCI investing in money market instruments which calculates the net asset value on a daily basis and with a rating of AAA or equivalent;
- c. Units of a UCITS which primarily invests in the bonds/shares listed in the next two points;
- d. Bonds issued or guaranteed by first-class issuers offering appropriate liquidity; or
- e. shares admitted to or traded on a regulated market in a member state of the European Union or on a stock exchange of an OECD member state provided these shares are included in a recognised index.

**b) Scope of the collateral**

The Management Company will determine the required scope of the collateral for OTC derivative transactions and techniques and instruments for efficient portfolio management for the respective sub-fund according to the nature and characteristics of the transactions carried out, the creditworthiness and identity of the counterparty plus the respective market conditions.

- c) The Management Company may receive collateral in respect of transactions in OTC derivatives and reverse repurchase agreements in order to reduce the counterparty risk. In connection with its securities lending transactions, the Company must receive collateral whose value for the duration of the agreement represents at least 90% of the total value of the loaned securities (including interest, dividends, other possible rights and any agreed discounts or minimum transfer amounts).

**d) Haircut strategy**

Collateral received is valued on each valuation day using available market prices and reflecting reasonable valuation discounts set by the Management Company for each type of asset of the respective sub-fund based on the haircut strategy of the Management Company. This strategy takes into consideration various factors depending on the collateral received, such as the credit rating of the counterparty, maturity, currency and price volatility of the assets. In principle, a haircut is not applied to cash collateral accepted, as long as this cash collateral is made out in the respective sub-fund's currency. At this time, only cash in the respective sub-fund's currency is accepted as collateral.

**(e) Reinvestment of collateral**

- Non-cash collateral

Non-cash collateral accepted by the Management Company for the respective sub-fund should not be disposed of, reinvested or pledged.

- Cash collateral

Cash collateral accepted by the Management Company for the respective sub-fund may only be invested in liquid assets in accordance with the provisions of Luxembourg law and the applicable provisions, in particular of the ESMA guideline 2012/832, implemented through CSSF circular 13/559.

Cash collateral received should only

- be invested as sight deposits in entities in accordance with Article 50 (f) of the UCITS Directive;

- be invested in high-quality government bonds;
- be used for reverse repurchase transactions, provided that these are transactions with credit institutions that are subject to supervision and the UCITS is able to obtain repayment of the full monetary amount at any time;
- be invested in money market funds with a short maturity structure in accordance with the definition in the CESR's guidelines for a shared definition for European money market funds.

Any reinvestment of cash collateral must be sufficiently diversified in terms of countries, markets and issuers, with a maximum exposure of 20% of the respective sub-fund to a single issuer.

## 10. Risk management procedures

The Fund shall set up a risk management procedure enabling the Management Company at all times to monitor and measure the market risk, liquidity risk and counterparty risk associated with the investment positions of the respective sub-fund, and their contribution to the overall risk profile of the investment portfolio and all other risks, including operational risks, which are of relevance to the Fund.

The Fund shall put in place procedures for OTC derivatives to ensure that an accurate and independent valuation of OTC derivatives can be obtained. In addition, the Fund shall ensure that the total risk associated with derivatives of each sub-fund corresponds to the total risk classification stated in the Prospectus. If techniques and instruments for efficient portfolio management are used, the Management Company will ensure that the resultant risks are recorded by risk management with respect to the particular sub-fund in a reasonable manner.

The Fund shall include, subject to the limits set in No. 5. e) of this Article, investments in derivatives as long as the total risk arising from the underlying instruments does not exceed the limits set in No. 5. a) to e) of this Article. If the Fund invests in index derivatives, the investment limits set in No. 5. a) to e) of this Article need not apply.

No. 10 above shall apply to derivatives embedded in a security or money market instrument.

## 11. Investment tax specifications

The subfund-specific investment policy shall specify in each case whether the relevant subfund is an equity fund in accordance with § 2 section 6 of the German Investment Tax Reform Act (ITRA) or a mixed fund in accordance with § 2 section 7 of the ITRA.

The relevant subfund shall then continuously invest at least 51% (in the case of an equity fund) or 25% (in the case of a mixed fund) of the net asset value in equity investments within the meaning of § 2 section 8 ITRA.

The following sub-funds are equity funds that invest continuously at least 51% of the net asset value in equity investments within the meaning of § 2 section 8 ITRA:

- PPF II ("PMG Partners Funds II") – Global Infrastructure Network Fund
- PPF II ("PMG Partners Funds II") – Carnot Efficient Resources
- PPF II ("PMG Partners Funds II") – Padma India Fund
- PPF II ("PMG Partners Funds II") – PA Stabilized European Dividend Income Fund
- PPF II ("PMG Partners Funds II") – Kingwest US Equity Fund
- PPF II ("PMG Partners Funds II") – SMAG Global Equity Fund

Equity participations in this sense are

- Shares in corporations admitted to official trading on a stock exchange or admitted to or included in another organised market;
- Shares in limited liability companies which are resident in a Member State of the European Union or in another Contracting State to the Agreement on the European Economic Area and are subject to income tax there for limited liability companies and are not exempt from such tax;
- Shares in limited liability companies which are resident in a third country and are subject there to income tax of at least 15% for limited liability companies and are not exempt from such tax;
- Shares in other investment funds either in the amount of the quota of their value published on the valuation date at which they actually invest in the aforementioned shares in corporations or in the amount of the minimum quota specified in the investment conditions of the other investment fund.

For the purposes of this investment policy and in accordance with the definition of the German Investment Code (GIC), an organised market is a market which is recognised and open to the public and the operation of which is orderly unless expressly stated otherwise. This organised market also meets the criteria of Article 50 of the UCITS Directive.

## Article 5 Units and classes of units

1. Units of a sub-fund are issued in the form of global certificates or using the Central Facility for Funds (CFF) procedure at Clearstream Luxembourg; unitholders are not entitled to delivery of physical certificates. At the request of unitholders, the Management Company may issue confirmation of the units subscribed, which may also represent fractions of units to the nearest thousandth of a unit.
2. In principle, all units of a sub-fund carry the same rights.  
  
The Management Company may offer several unit classes in each sub-fund. Units in distributing unit classes entitle unitholders to receive distributions, while no distributions are paid for accumulating unit classes. All units are equally entitled to income, capital gains and liquidation proceeds of their respective classes of units from the day of issue.
3. The issue and redemption of units, as well as other payments in respect of units, are carried out by the Management Company, the Depositary or any Paying Agent.

#### **Article 6 Issue of units**

1. The issue price is the net asset value calculated according to Article 7 plus a subscription fee of up to 5% of the net asset value. The subscription fee is charged in favour of the distributors.
2. Units in the various sub-funds shall be issued on any valuation day, as defined in Article 7 of these Management Regulations. The Management Company may, however, in the interest of the unitholders, resolve that units in individual sub-funds are exclusively issued on the initial issue date; this is stated in the Prospectus for the relevant sub-fund. In the interest of the unitholders, the Management Company may decide that in the case of sub-funds for which no more units were issued after the initial issue date, units shall again be issued after the initial issue date, and even on each valuation date, as the case may be. This is stated in the Prospectus.

The Management Company may for each sub-fund, at its own discretion and at any time, reject a subscription request or temporarily limit, suspend, or permanently discontinue the issue of units if this seems necessary in the interest of the unitholders, for the protection of the Management company, for the protection of the Fund or the respective sub-fund, in the interest of the investment policy or in the case of a threat to the specific investment objectives of the respective sub-fund. For the same reasons, the Management Company reserves the right to reject any subscription requests that are related to late trading and/or market timing practices or whose applicants are suspected of using such practices.

If the Management Company becomes aware that the investor is a US person as defined in Section 2 of the Prospectus, it will buy back the units and therefore exclude the investor.

3. In principle, units shall be issued at a price unknown at the time the request is made on the respective valuation day in accordance with Article 7 paragraph 1 of the Management Regulations. Subscription requests received by the Management Company by 17:00 at the latest (Luxembourg time) on a valuation day are processed on the basis of the issue price applicable on the next valuation day. Subscription requests received after 17:00 (Luxembourg time) are processed on the basis of the issue price applicable on the valuation day following the next valuation day. The Management Company may, in the interest of the unitholders, set out different rules for the individual sub-funds, which shall then be mentioned in the Prospectus.

The issue price is payable in the base currency of the respective sub-fund within two bank business days of the relevant valuation day.

4. The units are immediately allocated by the Depositary on behalf of the Management Company upon receipt of the subscription amount by the Depositary.
5. The Depositary shall promptly repay amounts received for subscription orders which are not executed.

#### **Article 7 Calculation of the net asset value**

1. The unit value for the valuation day is calculated on the next bank business day. The value of a unit (net asset value per unit) is denominated in the currency specified in the Prospectus in which the respective sub-fund is issued (reference currency). The net asset value per unit is calculated separately for each sub-fund by the Management Company or a responsible third party under the supervision of the Depositary on a day (the "valuation day") and at a time stated in the Prospectus for each sub-fund. However, this calculation must take place at least twice per month. The net asset value per unit is calculated by dividing the respective sub-fund's net assets by the number of units of this sub-fund in issue on the valuation day.
2. The net assets of each sub-fund shall be calculated according to the following basic principles:

- a. Securities listed on an official stock exchange are valued using the latest available price paid.
  - b. Securities not listed on an official stock exchange but which are traded on another regulated market pursuant to Article 4 of the Management Regulations, are valued at a price no lower than the bid price or no higher than the offer price at the time of the valuation and which the Management Company considers the best possible price at which the securities can be sold.
  - c. In the event that such prices are not in line with market conditions or for securities other than those covered in points a. and b. above for which there are no fixed prices, these securities will be valued at the current market value as determined in good faith by the Management Company and according to generally accepted valuation principles which are verifiable by auditors.
  - d. Target fund units held in the Fund are valued at their latest available and obtainable redemption price. In the case of ETFs, the valuation will be carried out in accordance with the procedures laid down in points (a) and (b) above.
  - e. The liquidation value of futures or options not traded on a stock exchange or on another regulated market corresponds to the respective net liquidation value, which is established pursuant to the guidelines adopted by the Management Company, following a calculation method consistently applied to each different type of contract. The liquidation value of futures and options contracts quoted or traded on an exchange or another regulated market shall be determined according to the last settlement price available<sup>15</sup> for these contracts on the exchanges or regulated markets on which these futures, forwards or options contracts are traded by the Fund. In the event that a futures, forward or option contract cannot be liquidated on the day on which the net assets are being determined, the basis for determining the liquidation value of such contracts shall be such value as the Board of Directors may deem fair and reasonable.
  - f. The value of money market instruments which are not quoted on a stock exchange or traded on another regulated market is determined using theoretical models.
  - g. All other securities or assets shall be valued at their reasonable fair value established by the Management Company in good faith and following application of its own appropriate procedures.
  - h. All assets not denominated in the reference currency of the Fund shall be converted into this currency using the latest available exchange rate.
3. If a sub-fund has several classes of units in accordance with Article 5 paragraph 2 of the Management Regulations, the following shall apply to the calculation of the net asset value:
- a. The criteria stated in paragraph 1 of this Article shall apply separately for each class of units for the calculation of the net asset value.
  - b. Income from the issue of units will increase the proportional contribution of each class of units to the total value of the net assets of the respective sub-fund. Income from the redemptions of units will reduce the proportional contribution of each class of units to the total value of the net assets of the respective sub-fund.
  - c. In the event of a dividend payment, the net asset value of the distributing units shall be reduced by the dividend amount. The proportional contribution of the distributing unit class to the value of the net assets of the respective sub-fund shall be reduced, while at the same time the proportional contribution of the non-distributing unit class (accumulation units) to the net assets of the respective sub-fund shall be increased.
4. An income equalisation may be carried out for each sub-fund.
5. For large-scale redemption requests which cannot be met using the respective sub-fund's liquid assets and allowable credit facilities, the Management Company may determine the net asset value per unit on the basis of the price on the valuation day on which it sells the corresponding assets on the sub-fund's behalf; this price then also applies to subscription requests made at the same time.

The net assets of the Fund are denominated in euro (base currency).

<sup>15</sup> If a corresponding settlement price is not available, the valuation is carried out at a price no lower than the bid price and no higher than the offer price at the time of the valuation, which the Management Company considers the best possible price.

Insofar as information on the total assets of the Fund must be provided in the annual and semi-annual reports as well as in other financial statistics for legal reasons or according to the rules stated in the Management Regulations, the assets of the respective sub-fund shall be converted into the reference currency.

#### **Article 8      Suspension of the calculation of the net asset value and of subscriptions, redemptions or conversions**

The Management Company is entitled, without prejudice to the provision in Article 6, paragraph 2 of the Management Regulations, to temporarily suspend the calculation of the net asset value as well as subscriptions, redemptions or conversions of units of a sub-fund, if and while circumstances exist that make the suspension necessary and if the suspension is justified when taking into account the interests of the unitholders;

1. while a stock exchange or another regulated market on which a substantial portion of the respective sub-fund's assets is officially traded, is closed (excluding normal weekends and holidays) or if trading on such a stock exchange or regulated market is interrupted or limited;
2. in emergencies, if the Management Company cannot access a sub-fund's assets or freely transfer the transaction value of investment purchases or sales or calculate the net asset value per unit in an orderly manner;

The Management Company shall publish notice of the suspension and resumption of the calculation of the net asset value, subscriptions, redemptions or conversions of units immediately in at least one daily newspaper in the countries in which the Fund is available to the public and shall inform all unitholders who have made subscription requests.

#### **Article 9      Redemptions and conversions**

1. Unitholders may request the redemption of their units at any time. Redemptions are only carried out on a valuation day. The redemption price is the net asset value calculated according to Article 7 plus a redemption fee of up to 1% of the net asset value. The redemption fee is charged in favour of the distributors.
2. In principle units shall be redeemed at a price unknown at the time the request is made on the respective valuation day. Redemption requests received by the Management Company by 17:00 at the latest (Luxembourg time) on a valuation day are processed on the basis of the redemption price applicable on the next valuation day. Redemption requests received after 17:00 (Luxembourg time) are processed on the basis of the redemption price applicable on the valuation day following the next valuation day. The Management Company may, in the interest of the unitholders, set out different rules for the individual sub-funds, which shall then be mentioned in the Prospectus.

The redemption price is paid promptly within two banking days following the applicable valuation day. The Management Company reserves the right to extend the deadline for payment of the redemption price to up to 15 banking days if this is made necessary by delays in the payment of proceeds to the Fund from the sale of investments on account of impediments caused by stock market control provisions or similar market restrictions on the market in which a considerable amount of the Fund's assets is invested, or in extraordinary circumstances in which the Fund is unable to pay the redemption price immediately.

3. The Management Company is entitled to temporarily suspend the redemption of units, subject to prior approval by the Depositary. In particular, such a suspension is possible:
  - in the event of large-scale redemption requests which cannot be met using the sub-fund's liquid assets and allowable credit facilities;
  - if the calculation of the unit value is temporarily suspended pursuant to Article 8;
  - after announcing the dissolution of the Fund to ensure the liquidation process;
  - for other reasons that appear justified and/or necessary in the interest of all of the Fund's investors, e.g. if when selling assets such revenues that could be achieved in normal market conditions cannot be achieved due to illiquid markets.
4. The Depositary shall make payments unless legal requirements (e.g. foreign exchange regulations) or other circumstances beyond its control prohibit or limit transfer of the redemption price in the country of the applicant.
5. The Management Company may, for each sub-fund, unilaterally redeem units upon payment of the redemption price if this is deemed necessary in the joint interests of the unitholders or for the protection of the Management Company, the Fund or a sub-fund.

If the Management Company becomes aware that the investor is a US person as defined in Section 2 of the Prospectus, it will buy back the units and therefore exclude the investor.



6. Unitholders may convert their units in full or in part into units of other classes of units and into units of another sub-fund. Units are converted on the basis of the next net asset value that is calculated for the class of units or sub-fund concerned. If for certain sub-funds a rule deviating from this provision has been agreed in accordance with paragraph 2, this rule shall apply. A conversion fee in favour of the distributors may be charged. If units are converted into units of another class or another sub-fund and the subscription fee of these units is higher than the subscription fee of the units to be converted, the conversion fee shall equal the difference between the subscription fees of the classes of units or sub-funds concerned, but shall correspond to at least 1% of the net asset value of the class of units or sub-fund into which the units are to be converted.

In order to protect the Fund, the Management Company reserves the right to reject any conversion requests that are linked to late trading and/or market timing practices or whose applicants are suspected of using such practices. Access to units is not effective if Section 2 of the Prospectus is met.

In connection with different sub-funds, the Management Company may decide in the interests of unitholders that neither the unitholders in the sub-fund in question are entitled to convert their units nor can there be any conversion into units of this sub-fund. This is stated in the Prospectus.

#### **Article 10 Expenses**

1. The following general expenses may be charged to the relevant sub-fund assets, but only with respect to individual unit classes, if applicable:
- a) all taxes that are levied on the Fund assets in the relevant sub-fund, and on its income and expenditure for the account of the relevant sub-fund, and any taxes arising in connection with the costs of management and safe custody;
  - b) costs for legal and tax advice that are incurred by the sub-funds, the Management Company or the Depositary acting in the interests of unitholders, and costs for the exercise and enforcement of legal claims of the sub-fund including matters of trademark and competition law;
  - c) audit fees;
  - d) expenses for hedging against currency and price risks;
  - e) production, printing, distribution and translation costs for the annual and semi-annual reports in such languages as is necessary for the benefit of unitholders as well as production, printing, distribution and translation costs for other reports and documents as may be required under the applicable laws and regulations of the appropriate authorities;
  - f) costs for publications intended for unitholders including the costs for notification of annual and semi-annual reports, of issue and redemption prices, of reinvestments or distributions where applicable and of the liquidation report, and costs for the production and use of a durable data carrier, with the exception of costs for provision of information in the case of sub-fund mergers and with the exception of the provision of information on measures in connection with investment restriction violations or errors in the calculation of the unit value of a relevant sub-fund;
  - g) a reasonable share of the costs of promotion and the costs directly associated with the offer and sale of shares;
  - h) all costs and fees associated with the purchase, sale and valuation of assets;
  - i) any transaction costs for transactions involving share certificates;
  - j) outlays of the Board of Directors of the Company and costs associated with investment committee meetings;
  - k) costs arising in conjunction with Fund or sub-fund inception; these costs may be charged on a proportional basis over a period of up to five years;
  - l) costs incurred for meeting distribution requirements abroad, including notification costs, costs for supervisory provisions domestically and abroad, legal advice and tax advice costs in this connection and translation costs;
  - m) costs for notification of the relevant tax basis and the issuing of certificates in this connection;
  - n) costs in connection with stock market listings;

- o) costs in connection with approval or amendment of the prospectus;
  - p) costs incurred for the credit rating of a sub-fund by nationally or internationally recognised rating agencies and costs for the rating of assets, in particular the rating of issuers of interest-bearing securities;
  - q) costs for the analysis of investment performance by third parties, and costs for performance attribution;
  - r) costs for the arrangement of voting proxies and the exercise of voting rights at annual general meetings, and costs for the representation of shareholder and creditor rights;
  - s) costs relating to the Registrar and Transfer Agent;
  - t) costs for any notifications required under supervisory law in connection with the European Market Infrastructure Regulation (EMIR);
  - u) in connection with payments to be made to the Management Company, the Depositary and the advisory or asset management company and in connection with any taxes incurred on any costs mentioned above;
2. The Management Company is entitled to receive an annual fee of up to 0.30% from the respective sub-fund, payable monthly in arrears on the sub-fund's average net assets during the relevant month on the basis of the net asset value of the various sub-funds calculated on each valuation day. This annual fee is at least EUR 40,000 per sub-fund.

If a fixed fee is paid to an investment manager or advisor for a sub-fund, the fee for the Management Company is reduced by the investment management or advice fee, if this fee is not paid directly from the relevant sub-fund's assets to the investment manager or advisor. This is stated in the Prospectus.

In addition, the Management Company or any investment manager or advisor is entitled to an additional fee (so-called performance fee) from the relevant sub-fund's assets in accordance with the provisions in the Prospectus; this fee is calculated based on the appreciation of the relevant sub-fund assets.

If a performance fee is paid to an investment manager or advisor for a sub-fund, the performance fee for the Management Company is reduced by the performance fee for the investment manager or advisor, if this fee is not paid directly from the relevant sub-fund's assets to the investment manager or advisor. This is stated in the Prospectus.

In addition, the Management Company receives an annual fee for its risk management, as described in the Prospectus.

In the case of the appointment of a paying agent, the Management Company shall pay the commission due to this paying agent.

3. The Depositary receives the following out of the respective sub-fund's assets:
- a. an annual fee for depositary services of up to 0.04% payable monthly in arrears on the basis of the net asset value of the relevant sub-fund's average net assets during the month concerned; however, this annual fee is at least EUR 10,000 per sub-fund;
  - b. a standard bank handling fee for Fund transactions;
  - c. costs and expenses arising from the authorised, standard appointment by the Depositary of a third party to safe-keep the assets of the sub-fund in accordance with Article 3, paragraph 4 of the Management Regulations.
4. All expenses shall first be deducted from the income, then from capital gains and then from the Fund's assets.
5. The Fund's assets are liable for all costs charged to the Fund. However, if these costs can be attributed to individual sub-funds, they shall be borne by them; otherwise, the costs are charged to all sub-funds in proportion to the net assets of each sub-fund.
6. The Fund's set-up costs and expenses for the initial issue of units amounted to around EUR 40,000 and are amortised over a period of up to five years. These expenses are charged to the sub-fund when it is launched. The costs incurred in connection with the launching of additional sub-funds are allocated to the pool of assets of the respective sub-fund and are amortised over a period of up to three years.
7. The costs indicated in this article are charged plus any VAT due.

## **Article 11 Financial year and audit**

The Fund's financial year ends on 31 December of each year. The first financial year ends on 31 December 2015. The accounts of the Management Company and the Fund shall be audited by an approved auditor in Luxembourg appointed by the Management Company.

#### **Article 12      Utilisation of earnings**

1. The Management Company will pay yearly dividends out of the net income of a sub-fund as far as such income is to be attributed to a distributing unit class. The net income of a sub-fund includes dividends and interest income minus general expenses, excluding realised capital gains and losses, unrealised increases and decreases in the value of the assets as well as the income from the sale of subscription rights and all other income of a non-recurring nature.
2. Without prejudice to the previous provision, the Management Company may from time to time also distribute, either wholly or in part, realised capital gains less any realised capital losses and declared reductions in the value of the assets, insofar as these are not offset by declared increases in the value of the assets, plus the income from the sale of subscription rights and/or all other income of a non-recurring nature, in addition to the ordinary net income, provided such income is attributed to a distributing unit class.
3. However, dividends are not distributed if, as a result, the total net assets of the Fund would fall below EUR 1,250,000.

#### **Article 13      Limitation period**

Claims made by unitholders against the Management Company or the Depositary shall lapse five years after the claim arises. This is without prejudice to the regulation contained Article 16, paragraph 2 of the Management Regulations.

#### **Article 14      Amendments to the Management Regulations**

The Management Company can make full or partial changes at any time to these Management Regulations with the approval of the Depositary.

#### **Article 15      Publications**

1. The original valid version of the Management Regulations and amendments to the same are filed with the Registrar of the District Court of Luxembourg and are published in the *Recueil Electronique des Sociétés et Associations* (RESA). In addition, amendments to these Management Regulations are published, to the extent required, in at least two daily newspapers of sufficient circulation, at least one of which shall be a daily Luxembourg newspaper.
2. The issue and redemptions prices may be requested on any valuation day from the Management Company or any Paying Agent.
3. The Management Company draws up a Prospectus, a concise Key Investor Information Document, an audited annual report and a semi-annual report for the Fund in accordance with the legal provisions of the Grand Duchy of Luxembourg.
4. The Fund documents listed in paragraph 3 of this Article are available to unitholders free of charge at the registered office of the Management Company and from any Paying Agent.

#### **Article 16      Duration and liquidation of the Fund and its sub-funds; Merger of sub-funds**

1. The Fund was established for an indefinite period; it may be liquidated by the Management Company at any time with appropriate consideration of the interests of unitholders. Its liquidation shall be imperative for the abovementioned legal reasons and in the event of dissolution of the Management Company itself for any reason.
2. In accordance with the legal provisions, notice of the dissolution of the Fund shall be published by the Management Company in the *Recueil Electronique des Sociétés et Associations* (RESA) and in at least two daily newspapers which have sufficient circulation. One of these daily newspapers must be published in Luxembourg. If a situation arises which leads to the liquidation of the Fund, then the issue of units shall be discontinued. The Management Company may continue to allow the redemption of units provided the equal treatment of all investors is ensured. In particular, a proportionate amount of the liquidation costs and fees payable to the liquidator(s) shall be deducted from the redemption price of units which are redeemed during

the liquidation proceedings. If the Management Company decides to suspend the redemption of units at the beginning of the liquidation, notice of this fact shall be published in accordance with Sentence 1.

On instructions from the Management Company or from the liquidator appointed by the Management Company or, if necessary, by the Depositary with the approval of the supervisory authorities, the Depositary shall distribute the liquidation proceeds, less the costs and liquidation fees, among the unitholders in the proportion of their respective holdings. The net liquidation proceeds not collected by unitholders upon conclusion of the liquidation proceedings, shall, so long as it is legally necessary, be deposited with the *Caisse de Consignation* in Luxembourg by the Depositary for the account of unitholders entitled to it, where such amounts shall be forfeited if not claimed by the statutory deadline.

3. The Management Company may issue new sub-funds at any time. It may dissolve existing sub-funds, provided this is deemed necessary or advisable in the interests of the unitholders, for the protection of the Management company, for the protection of the Fund or in the interest of the investment policy. Moreover, sub-funds may be established for a limited period of time. This may be stated in the Prospectus.

During the last two months before the dissolution of a sub-fund which is established for a limited period of time, the Management Company will liquidate such sub-fund. The Management Company will therefore sell that sub-fund's assets, collect any receivables and meet its liabilities.

The provision contained in paragraph 2, sentence 8 applies to all amounts not claimed after termination of the liquidation proceedings.

Neither the unitholders, nor their heirs, creditors or legal successors shall be entitled to request the liquidation and/or the division of the Fund or a sub-fund.

#### **Article 17 Merger of the Fund or of sub-funds**

1. The Management Company may, by resolution of the Board of Directors and, to the extent applicable, in accordance with the conditions and procedures set forth in the Law of 2010 and the applicable administrative provisions, merge the Fund or one or more sub-funds of the Fund with another existing or jointly established sub-fund, Luxembourg fund or sub-fund, with another foreign UCITS or with a sub-fund of another foreign UCITS either through its dissolution without liquidation or through its continued existence until all financial liabilities are extinguished.
2. The Management Company shall provide notification of the merger of the Fund or sub-fund in accordance with article 15, paragraph 1, sentence 2. The unitholders have the right to request, within 30 days, the repurchase or, if applicable, the conversion of their units into units of another fund or sub-fund with a similar investment policy and managed by the same Management Company or another company to which the Management Company is linked through a shared management or control structure or by a substantial direct or indirect stake, without any additional charges other than those retained by the Fund or sub-fund to cover liquidation costs. Upon the merger becoming effective, the unitholders of the fund or sub-fund to be merged shall become unitholders of the acquiring fund or sub-fund.
3. Legal, advisory or administrative costs associated with the preparation and completion of a merger shall not be charged to the fund or sub-fund affected or to its unitholders.
4. The merger shall be the subject of an audit report by the Fund's auditor and, to the extent applicable, by the Fund's Custodian.
5. To the extent applicable, the Management Company shall, at least 30 days prior to the expiration of the redemption or conversion period mentioned in paragraph 2, provide the unitholders with notification of their right to redeem or convert the units during said period at the respective unit value without any charge in accordance with paragraph 2, as well as notification with respect to the background to and rationale for the proposed merger, the potential impact of the merger on unitholders, other specific rights of the unitholders such as the right to obtain a copy of the audit report of the Fund's auditor or Custodian, relevant procedural aspects, the planned date on which the merger is to become effective, a copy of the document of the UCITS being merged with together with key investor information as well as information about where the unitholders may request additional information.

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

1. The Management Regulations are subject to Luxembourg law. In particular, in addition to the regulations of the Management Regulations, the provisions of the Law of 2010 shall apply. The same is true for the legal relationships between the unitholders, the Management Company and the Depositary.

2. The competent courts in Luxembourg shall have jurisdiction in any legal disputes arising in relation to the Fund or a sub-fund between the unitholders, the Management Company and the Depositary. The Management Company and the Depositary may subject themselves and the Fund to the jurisdiction of the courts and the law of any country in which the units of the Fund are sold publicly with respect to claims by investors resident in such a country and with respect to matters relating to the Fund.
3. The German-language version of the Management Regulations is authoritative.

**Article 19      Effective date**

These Management Regulations shall come into effect on 31 July 2019.



Address: LRI Capital Management SA  
9A, rue Gabriel Lippmann, L-5365 Munsbach  
Telephone: (+352) 42 44 91-1  
Fax: (+352) 42 25 94  
E-mail: [info@lri-group.lu](mailto:info@lri-group.lu)  
Website: [www.lri-group.lu](http://www.lri-group.lu)



## EUROPEAN DEPOSITARY BANK

Address: European Depository Bank SA  
3, rue Gabriel Lippmann, L-5365 Munsbach  
Telephone: General: (+352) 42 45 45-1  
Trading Desk: (+352) 42 46 26  
Fax: (+352) 42 45 69  
SWIFT: BWCLULL  
E-mail: [info@eudepobank.eu](mailto:info@eudepobank.eu)  
Website: [www.europeandepositorybank.com](http://www.europeandepositorybank.com)



## M. M. WARBURG & CO

1798

Address: M.M. Warburg & CO (AG & Co.) KGaA  
Ferdinandstrasse 75, D-20095 Hamburg  
Postal address: P.O. Box 106540, D-20044 Hamburg  
Telephone: +49 (0)40 / 32 82-0  
Fax: +49 (0)40 / 36 18-1000  
SWIFT: WBWCDEHH  
E-mail: [info@mmwarburg.com](mailto:info@mmwarburg.com)  
Website: [www.mmwarburg.com](http://www.mmwarburg.com)