

Important Notice!

This Sales Prospectus was drawn up in German and translated into English language. Only the German version is legally binding.

Assenagon Credit

Investment fund under Luxembourg law

Prospectus – March 2012

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Important notes

The fund described in this Prospectus (including its annexes) and in the General and Special Fund Rules (*Verwaltungs- und Sonderreglement*) is an investment fund with various sub-funds under Luxembourg law (*fonds commun de placement à compartiments multiples*), which was set up for an unlimited period pursuant to Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment as amended (hereinafter referred to as the "Law of 17 December 2010").

The purchase of units is based on the Prospectus, as well as on the simplified prospectus and the General and Special Fund Rules of **Assenagon Credit** ("Fund"). The Prospectus consists of a general section and the annexes on the specific sub-funds ("Annex"), which contain an overview of the sub-funds. The specific characteristics of the sub-funds are described in the respective Annex and in the Special Fund Rules that apply to the sub-fund in question, which may contain regulations that supplement, and deviate from, individual provisions set out in the General Fund Rules. In the event of a conflict between the General Fund Rules and the Prospectus, the former shall take precedence.

As a result, investors making an investment in a sub-fund should also refer to the information set out in the Annex on the sub-fund in question, which contains supplementary information for investors in the various distribution countries.

The key investor information is prepared separately for each unit class. The key investor information includes useful information on the key features of the respective unit class and must be candid, unambiguous and not misleading. Updates of the key investor information can be accessed primarily at www.assenagon.com.

Pursuant to Article 161 of the Law of 17 December 2010, the key investor information will be made available to the investor at no cost before they subscribe to units – by the Management Company (or another natural or legal person, acting in their own name and at their own unrestricted responsibility) if the units are distributed directly – or by the distribution agent or a sub-distribution agent if one of these distributes the units.

The Management Company may opt to appoint a centralising agent to process applications (subscription, conversion and redemption orders), in particular for German investors. If investors do not have a bank account in Luxembourg and do not wish to open such an account with the custodian bank, they explicitly declare, when subscribing for fund units, that they agree to their orders being processed, in all cases, by the centralising agent, be it directly or indirectly, irrespective of whether these orders are submitted via the custodian bank, the Luxembourg paying agent, the centralising agent, the Management Company or via the distribution agents or sub-distribution agents.

Investors must be offered a copy of the Prospectus, the simplified prospectus and the most recently published

annual or semi-annual report free of charge before they subscribe for the units.

No information may be provided or declarations made if this information or these declarations deviate from the Prospectus the key investor information. Any decision to purchase units based on information or declarations that are not contained in Prospects, the documents referred to therein or in the key investor information are made exclusively at the investor's risk.

The authorisation and supervision of the Fund by the Luxembourg Financial Supervisory Authority, the CSSF (as defined below), must not, under any circumstances and in any form, be presented as a positive assessment by the CSSF of the quality of the units issued.

Investors are recommended to obtain information on any statutory or tax-related consequences, as well as on any foreign exchange restrictions or controls, arising pursuant to the laws of their country of nationality, the country in which they reside or the country in which they have their ordinary residence, and which could be relevant with respect to subscription for, or the purchase, ownership, redemption or transfer of fund units.

Under item 20, the Prospectus printed below explicitly refers to the general investment risks associated with an investment in a fund or sub-fund, while item A of Annex 1 for the relevant sub-fund explicitly refers, in particular, to the specific risks associated with an investment in the particular sub-funds. Furthermore, the Annex reminds investors that a sub-fund can employ derivatives, as well as other techniques and instruments, to implement its investment policy, investment objective and risk profile.

The fulfilment of investment objectives cannot be guaranteed.

Units in the sub-funds referred to in this Prospectus may not be offered, sold or delivered within the United States of America or to US citizens (see item 14).

By purchasing units, investors acknowledge the Prospectus (including the Annex), the General Fund Rules and the applicable Special Fund Rules, as well as all approved and published amendments thereof.

The Prospectus (including Annexes), the General and Special Fund Rules, as well as the respective annual or semi-annual report, are available free of charge from the Management Company's registered office, from the custodian bank, from the paying agent and from the distribution agents, and can be accessed at www.assenagon.com.

Important data protection information

The law stipulates that all persons and entities who wish to make an initial investment in a fund (including natural persons, corporations and financial intermediaries) must furnish proper and sufficient proof of their identity before their initial subscription for fund units is accepted. Before an order is accepted, investors may be requested to provide further information, and an order for unit subscription or redemption may be deferred or rejected if an assessment leaves justified doubts as to the investor's identity or the authenticity or legal validity of an order.

This means that any questions that may be posed to the investor in connection with the latter's order must be answered. Any failure to answer these questions may prevent the purchase of fund units.

This data will be used, among other things, for record-keeping purposes, to process orders, to reply to requests, as well as for information on other products and services, and may also be processed and passed on to external service providers.

Confidential information pertaining to investors shall not be passed on to unauthorised third parties. Investors have the right to inspect their data, as well as the right to rectify this data where appropriate.

This data will be retained for the duration of the agreement and will remain saved for the period of time stipulated by law.

Management, distribution and advisory services

Management Company	Assenagon Asset Management S.A. Aerogolf Center 1B Heienhaff L-1736 Senningerberg
Board of Directors of the Management Company	Ulrich Binninger Hans Günther Bonk (Chairman) Vassilios Pappas
Managing Directors of the Management Company	Hans Günther Bonk Michael Löb Vassilios Pappas Dr. Robert Wendt
Investment Manager	Assenagon Credit Management GmbH Franziska-Bilek-Weg 9 D-80339 Munich
Custodian bank, principal agent, paying agent in Luxembourg	Brown Brothers Harriman S.C.A. 2-8, Avenue Charles de Gaulle L-2014 Luxembourg
Register and transfer agent	Brown Brothers Harriman S.C.A. 2-8, Avenue Charles de Gaulle L-2014 Luxembourg
Distribution agent in Germany	Assenagon Asset Management S.A. Munich branch Theresienhöhe 13 a D-80339 Munich
Distribution agent in Austria	Erste Bank der oesterreichischen Sparkassen AG Graben 21 A-1010 Vienna
Centralising agent, paying and information agent in Germany	Baader Bank AG Weihenstephaner Strasse 4 D-85716 Unterschleissheim
Paying agent in Austria	Erste Bank der oesterreichischen Sparkassen AG Graben 21 A-1010 Vienna
Auditor of the Fund and the Management Company	KPMG Audit S.à r.l. 9, Allée Scheffer L-2520 Luxembourg
Supervisory authority	Commission de Surveillance du Secteur Financier (CSSF) 110, Route d'Arlon L-2991 Luxembourg

Prospectus – General section

Management, administration and service providers

1. Management Company

The Fund is managed by the Management Company.

Assenagon Asset Management S.A. is a *société anonyme* pursuant to Chapter 15 of the Law of 17 December 2010 of the Grand Duchy of Luxembourg and has its registered office at 15, Rue Edward Steichen, L-2540 Luxembourg. It was formed on 3 July 2007.

The memorandum and articles of association of the Management Company were published on 31 August 2007 in Mémorial C No. 1,854 and were filed with the Luxembourg commercial register under no. B-129,914.

The Management Company is responsible for determining and implementing the fund investment policy, as well as for the activities set out in Appendix II to the Law of 17 December 2010. It is entitled to take all management and administrative measures, and to exercise all rights associated either directly or indirectly with the fund assets, for the account of the Fund.

The Company's Board of Directors has appointed Mr Hans Günther Bonk, Mr Michael Löb, Mr Vassilios Pappas and Mr Dr. Robert Wendt as managing directors of the Management Company, and has transferred responsibility for all management activities to these managing directors.

They are entitled to call upon external service providers in order to perform their activities.

2. Custodian bank

The Management Company has appointed Brown Brothers Harriman (Luxembourg) S.C.A., Luxembourg ("BBH") as the Fund's custodian bank.

BBH is a *société en commandite par actions* (S.C.A.) under Luxembourg law. It is authorised to conduct all kinds of banking business within the meaning of the Law of 5 April 1993 on the Financial Sector as amended ("Law of 5 April 1993").

The custodian bank has been commissioned with the safe-keeping of the fund assets. Its rights and responsibilities are set out in the Law of 17 December 2010, the Custodian Bank Agreement, the General and Special Fund Rules and in the Prospectus (including Annexes).

In accordance with the Law of 17 December 2010, the custodian bank shall

- a) ensure that the sale, issue, redemption and cancellation of units either by, or on behalf of, the respective sub-fund is in line with the statutory provisions and the Fund Rules;
- b) ensure that, in the case of transactions relating to the respective sub-fund assets, the consideration to be paid is received by the custodian bank by the standard commercial deadlines;
- c) ensure that any income on the respective sub-fund assets its used on accordance with the Fund Rules;

- d) ensure that the Net Asset Value of the units is calculated in line with the statutory provisions and the Fund Rules;
- e) follow the instructions issued by the Management Company unless they violate the statutory provisions or the General and Special Fund Rules.

The custodian bank is entitled to entrust the fund assets that it holds in safe custody either in full or in part to central securities depositories, correspondent banks or other third parties. This applies, in particular, to assets that are officially listed on a foreign stock exchange or are otherwise traded on a foreign market, as well as for assets that are admitted for safe custody in a foreign clearing system.

The fact that assets of the respective sub-fund are transferred to third parties in line with the principles set out above shall not affect the liability of the custodian bank.

Both the custodian bank and the Management Company are entitled to terminate the custodian bank appointment at any time in accordance with the Custodian Bank Agreement. In such cases, the Management Company shall do everything in its power to appoint another bank as custodian bank, with the consent of the CSSF, within a two-month period; the previous custodian bank shall meet its obligations as custodian bank in full, in order to protect the interests of the investors, until a new custodian bank is appointed.

3. Investment advisor or investment manager

The Management Company can appoint one or several investment managers to manage the assets of one or several sub-funds. Subject to the Management Company's supervision, the investment manager shall be responsible for determining how the assets of the sub-fund for which he/she was appointed are invested and re-invested. The investment manager must adhere to the investment policy and investment restrictions of the Fund and the corresponding sub-fund (as stipulated in Annex I).

The Management Company can commission investment advisors to provide investment advice for one or several sub-funds. Investment advice involves assessing and recommending suitable investment vehicles. It does not, however, involve taking direct investment decisions.

Any investment advisors or managers appointed by the Management Company are specified in the Annex I that applies to the relevant sub-fund.

4. Paying agent in Luxembourg

Brown Brothers Harriman (Luxembourg) S.C.A. ("BBH") has been appointed as the Fund's paying agent, meaning that it is obligated to pay out any distributions, as well as the redemption proceeds for redeemed units, and to make any other payments for orders received from Luxembourg.

5. Principal agent

The Management Company has appointed Brown Brothers Harriman (Luxembourg) S.C.A. ("BBH") as the Fund's registrar, transfer agent and administrator (collectively referred to as the principal agent).

In this connection, BBH shall, in particular, assume responsibility for accounting, including the calculation of the Net Asset Value, and for preparing the annual and semi-annual reports for the Fund, for keeping any unit registers and for transferring units in connection with unit issue and redemption.

6. Centralising agent, paying and information agent, market makers

a) Centralising agent, paying and information agent

The Management Company can appoint a centralising agent to process orders. Furthermore, it can commission market makers (as under b)) to list the Fund on one or several stock exchange(s). Information in this respect can be found in the corresponding Annex for the respective sub-fund.

Baader Bank AG has been appointed as the "centralising agent" ("*agent centralisateur*"). It is obligated to pay out any distributions, as well as the redemption proceeds for redeemed units, and to make other payments. It is also responsible, in its capacity as the centralising agent, for bundling all client subscription, conversion and redemption orders and, where appropriate, for executing these at the respective applicable Net Asset Value.

If investors do not have a bank account in Luxembourg and do not wish to open such an account with the custodian bank, they explicitly declare, when subscribing for fund units, that they agree to their orders being processed, in all cases, by the centralising agent, be it directly or indirectly, irrespective of whether these orders are submitted via the custodian bank, the Luxembourg paying agent, the centralising agent, the Management Company or via the distribution agents or sub-distribution agents.

The centralising agent shall settle orders in line with the terms and conditions that would have applied for these orders if they had been processed by the Fund directly.

As the paying agent, Baader Bank AG shall ensure that investors can make payments in connection with subscriptions for Fund units, and can receive payments in the event of fund unit redemptions and distributions.

As the information agent, Baader Bank AG shall ensure that the following documents are available free of charge:

- The Prospectus and the key investor information;
- The General Fund Rules;
- All of the documents listed under "Publications".

Information for investors shall be published at www.assenagon.com insofar as this is required by law in the Federal Republic of Germany. Furthermore, the issue and redemption prices shall be published at www.assenagon.com on every trading day in the Federal Republic of Germany, and can be requested from the paying and information agent.

b) Market makers

In addition, the Management Company can involve brokers in issue and redemption transactions relating to the fund units for their own account and at their own risk ("market makers"). This shall not affect the investors' rights vis-à-vis the Fund. Where applicable, the involvement of a market maker is mentioned in the Annex I that applies to the relevant sub-fund.

Regulations governing the relationships between the Management Company and the market makers must be set out in an agreement.

In addition, the following conditions must be met:

- The market makers' role must be appropriately described in the Prospectus.
- The market makers may only act as counterparties in subscription and redemption transactions with the explicit consent of the investors that initiated the relevant transaction.
- The market makers may not settle the subscription and redemption orders submitted to them in line with terms and conditions that are less favourable than those that apply to orders executed directly by the relevant UCI.
- The market makers must inform the principal agent in Luxembourg of the orders executed by them on a regular basis if such orders refer to registered units. This ensures that (i) the investor data is updated in the unitholder register and (ii) the certificates on the registered units or the unit confirmations can be sent to the new investors from Luxembourg.

7. Distribution agents and sub-distribution agents

The Management Company can commission one or several distribution agents to distribute the fund units. The distribution agents can appoint one or several sub-distribution agents. Both the distribution agents and the sub-distribution agents will process any subscription, redemption or conversion orders that they receive either directly or indirectly via the central agent. This ensures that these orders are settled in line with the terms and conditions that would have applied if the respective order had been processed directly by the principal agent for the Fund.

Fund, sub-funds, units, net asset value, special characteristics

8. Fund, sub-funds and unit classes

The **Assenagon Credit** investment fund described in this Prospectus (hereinafter referred to as the "Fund") is an investment fund with various sub-funds under Luxembourg law (*fonds commun de placement à compartiments multiples*). It has been set up for a unlimited period of time.

The Fund is covered by Part I of the Law of 17 December 2010 and qualifies as an undertaking for collective investment in transferable securities within the meaning of the latest version of Directive 2009/65/EC.

The Fund has been set up as an umbrella fund, meaning that the Management Company can offer investors one or several sub-funds at its own discretion. The Fund consists of the totality of the sub-funds. The Management Company is entitled to launch additional new sub-funds and/or to liquidate or merge one or several existing sub-funds at any time. The Fund's reference currency is the Euro.

The sub-fund investors shall hold a stake in the respective sub-fund with the same rights and pro rata to the number of units held in the sub-fund in each case.

With reference to Article 181 of the Law of 17 December 2010, each sub-fund shall be liable only for the debt, obligations and liabilities that relate to this particular sub-fund. This means that each individual sub-fund constitutes a separate entity for the unitholders.

The units can be issued as bearer and/or registered units. Bearer units will be issued in the form of global certificates. If registered units are issued, these will be entered in the unit register by the register and transfer agent after approval by the Management Company. In this context, confirmations of entry into the unit register will be sent to the unitholders at the address specified in the unit register. Unitholders are not entitled to the delivery of physical securities, irrespective of whether issued bearer units or registered units. The types of units are specified in the relevant prospectus annex for the sub-fund.

By purchasing units, investors acknowledge the Fund Rules of the respective sub-fund as set out in this Prospectus, as well as in the General Fund Rules and the applicable Special Fund Rules. The Fund Rules do not provide for any Annual General Meeting of the investors.

Unitholders may directly or indirectly subscribe to units in the relevant sub-fund via a nominee within the scope of the relevant statutory provisions. Unitholders who make use of a nominee may at any time apply to be entered as the unitholder in the unit register themselves instead of the nominee.

To the extent legally permissible, the nominee will subscribe to and hold the units in their own name, but for the account of the beneficial unitholder. The nominee will send the unitholder confirmation of subscription.

The Management Company advises investors that they may only assert the entirety of their investors' rights directly against the Fund if the investors are entered in

the unit holders' register themselves and in their own name. In cases where an investor has invested in the Fund via an intermediary which has made the investment in its own name but on the investor's behalf, the investor cannot necessarily assert all investors' rights against the Fund directly. Investors are advised to inform themselves of their rights.

The Management Company is entitled to issue two or more unit classes within each sub-fund, the assets of which shall be invested collectively in accordance with the investment objective of the respective sub-fund. The unit classes can differ in terms of fee structure, the minimum investment amounts, the distribution policy, investor eligibility, the reference currency or other special characteristics to be determined by the Management Company in each case. The Net Asset Value per unit is calculated individually for each unit class issued. The different characteristics of the individual unit classes are described in Annex I.

9. Issue of units

The Management Company is entitled to issue sub-fund units at any time and without restrictions. The Management Company is entitled to issue one or several unit classes within the respective sub-fund.

The initial issue date and, where appropriate, the initial subscription period for new sub-funds/new unit classes shall be determined by the Management Company and specified in the respective Annex. The Management Company can decide, at its own discretion, prior to the launch date to withdraw the offer of the respective sub-fund. The Management Company can also decide to withdraw the offer of a new unit class. In addition, the Management Company reserves the right to stop issuing and selling units at any time, or to refuse to accept excessive unit subscriptions insofar as the latter could have a negative impact on adherence to the investment strategy, meaning that a detrimental effect on existing investors could not be ruled out. In both cases, investors who have already submitted a subscription order shall be duly informed, and any subscription amounts already transferred shall be paid back. In this respect, investors are reminded that these amounts shall not bear interest in the period leading up to the repayment. The Management Company can also decide that, following the initial subscription, it will no longer be issuing units in the respective sub-fund or a certain unit class.

Initial subscriptions for units in the respective sub-fund or in a new unit class shall be settled at the initial issue price plus any front load, as described in the respective Annex.

Subsequent subscriptions will only be settled on the Valuation Dates described in item 16. Subsequent subscriptions will be settled on the Valuation Dates described in item 16 and stipulated in the respective Annex, and the units will be issued at a price that is based on the Net Asset Value per unit. The subscription price may increase by a front load referred to in the relevant Annex.

The front load is charged in favour of the distribution agents and/or the Management Company. The front load may be increased by fees or other charges levied in the respective countries of distribution. If the legislation of a particular country stipulates lower front loads, the distribution agents commissioned in that country can sell the units subject to the maximum front load permitted in that country. In derogation of the maximum front load stipulated in the respective Annex, the distribution agent and/or the Management Company can charge different, lower front loads.

To the extent that distribution amounts and/or redemption proceeds are used directly to purchase units in the respective sub-fund or another fund managed by the Management Company, a reinvestment discount set by the Management Company and/or the distribution agent may be granted.

The minimum initial and subsequent subscription amounts may vary depending on the unit class. The Management Company reserves the right not to apply minimum initial and subsequent subscription amounts at its own discretion and taking into account the principle of equal treatment of investors.

The issue price is payable to the custodian bank in the currency of the individual sub-fund or the relevant unit class within the time period specified in the relevant Annex.

The units are issued in the form and denomination determined by the Management Company and described in the relevant Annex without delay following the receipt of the issue price by the custodian bank. Fractional units with up to three decimal places can be issued.

Subscription orders must be submitted in accordance with the provisions set out in item 12.

Subscription orders will only be accepted if they have been filled out in full.

10. Redemption of units

The investors can demand redemption of all or some of their units be redeemed on the Valuation Dates stipulated in item 16. The redemption orders shall be considered legally binding and irrevocable, without exception. All of the required documents for redemption, as well as any certificates that may have been issued, must be enclosed with the order.

Investors declare that they agree to units being redeemed either directly or indirectly via the centralising agent.

The redemption price shall correspond to the Net Asset Value of the units in the respective sub-fund/the relevant unit class. The redemption price may be reduced by the redemption fee stipulated in the Annex, which is identical for all redemption orders settled by the centralising agent on a certain Valuation Date, in favour of the relevant sub-fund.

The redemption price shall be paid within the period specified in the relevant Annex following the later of the applicable Valuation Date and the date on which all of the required documents have been received by the centralising agent. The custodian bank is only obligated

to make payment to the extent that no statutory provisions, e.g. foreign exchange law provisions or other circumstances that are beyond the custodian bank's control, prohibit or restrict the transfer of the redemption proceeds to the applicant's country.

The redemption price shall be paid in the reference currency of the respective sub-fund/relevant unit class. The redemption price can fall short of, or exceed, the price paid at the time of subscription or purchase.

The Management Company is entitled to buy back units at any time at its own discretion and, in particular, in line with the requirements of the provisions set out in item 14. In such cases, the investors are obligated to return the units.

In the event that the number or the total net asset value of units held by an investor in the relevant sub-fund or in a given unit class falls below the minimum net sub-fund assets stipulated by the Management Company in the relevant Annex as a result of a redemption order, the Management Company can decide that this order is to be considered an order for the redemption of the investor's entire unitholdings in the respective sub-fund/in this unit class.

If, on a given Valuation Date, redemption orders are received accounting for more than 10% of the net fund assets, either individually or taken together with other applications received, the Management Company reserves the right, at its sole discretion and taking into account the interests of the remaining investors, to reduce the number of units for the individual redemption applications on a pro rata basis. If an order is not executed in full on this Valuation Date because the Management Company makes use of its right to make a pro rata reduction, it must be treated, as regards the part that has not been executed, as if the investor had submitted a further order for the next Valuation Date and, if necessary, also for the seven subsequent Valuation Dates at the most. These orders shall be given priority over orders received for the subsequent Valuation Dates submitted at a later date.

11. Conversion of units

Subject to the satisfaction of the relevant eligibility criteria, investors can have the Management Company exchange their units in the relevant sub-fund, either in full or in part, for units in a different unit class, a different sub-fund or a different fund managed by the Management Company. The units shall be exchanged on the basis of the Net Asset Value for the relevant unit class/sub-fund, which is calculated on the Valuation Date following receipt of the conversion order. In this respect, a conversion fee can be charged in favour of the distribution agent. This shall be set out, where applicable, in the relevant Annex.

12. Order acceptance regulations

Subscription, conversion and redemption orders shall be accepted by the principal agent, the centralising agent and by the distribution agents and sub-distribution agents, and shall be settled based on an unknown Net Asset Value.

Subscription, conversion and redemption orders must specify the number of fund units, unless the corresponding Annex contains a provision to the contrary.

Subscription, conversion and redemption orders that have been filled out in full shall be settled in line with the order acceptance regulations set out in Annex 1 to the Prospectus. If subscription, conversion or redemption orders are processed via the principal agent, distribution agents and sub-distribution agents, or by paying agents, different procedures and deadlines may apply; nevertheless, the aforementioned deadlines that apply in respect of the centralising agent shall remain unchanged. The full terms and conditions for subscription, conversion and redemption of fund units are available via the principal agent, or via the respective distribution agents or sub-distribution agents, or via the relevant paying agent.

After processing the subscription or redemption order, the Management Company prepares an order confirmation on a permanent data storage medium and sends it to the investor, unless this has already been done by the distribution agent, a sub-distribution agent or centralising agent.

The relevant order acceptance times are set out in the overview of the respective sub-fund.

13. Exclusion of market timing

The Management Company shall not permit any market timing practices for the Fund and, if it suspects that market timing practices are being utilised, it can take suitable measures to protect the remaining investors in the sub-fund. This means that the Management Company reserves the right to reject, revoke or suspend subscription or conversion orders if an investor is suspected of engaging in market timing practices. In such cases, the Management Company reserves the right to take appropriate legal action against the investor in question.

Payments received for subscription orders that are not executed shall be paid back by the custodian bank without any interest accruing on the amount paid.

14. Restrictions on the issue of units

The information contained in this Prospectus may only be disseminated, and the units described in this Prospectus only offered by way of public distribution in countries in which the Fund is authorised for distribution.

The Management Company can restrict or prevent unit ownership by certain individuals if it takes the view that such ownership could have a detrimental impact on the individual sub-fund, or could violate Luxembourg or foreign laws or other rules and regulations, or if this could result in the sub-fund in question becoming subject to the laws (for example the tax laws) of a country other than Luxembourg.

In particular, the units are not intended for distribution in the United States of America or to US citizens. By way of example, natural persons subject to tax in the US include individuals who

- a) were born in the US or one of its territories/areas subject to its jurisdiction,

- b) are naturalised citizens (e.g. green card holders),
- c) were born abroad as the children of a US citizen,
- d) are ordinarily resident in the US without being a US citizen or
- e) are married to a US citizen.

By way of example, legal entities subject to tax in the US include

- a) Companies and corporations organised under the laws of one of the 50 US federal states or the District of Columbia,
- b) a company or partnership organised under an "Act of Congress", or
- c) a pension fund formed as a US trust.

The Management company can reject a subscription order at any time at its own discretion. Furthermore, the Management Company can buy back units held by investors who are excluded from purchasing or holding units, in return for payment of the redemption price, at any time.

15. Savings plan

Savings plans allow investors to accumulate assets in the long term. Investors make regular (e.g. monthly) payments of a certain amount which are then used to buy more units when sub-fund prices are low, and fewer when sub-fund prices are higher. This allows lower average purchase prices (cost average effect) to be achieved in the course of time.

A maximum of one third of each of the payments agreed for the first year is used to cover costs, and the remaining costs are split evenly over all subsequent payments.

Further details are set out in the Annex for the relevant sub-fund.

16. Calculation of the net asset value

The unit value for the respective sub-fund/unit class is calculated in the relevant reference currency in accordance with the provisions set out in Article 9 of the General Fund Rules. The unit value for the respective sub-fund is calculated on every banking day in Frankfurt am Main and Luxembourg, with the exception of 24 and 31 December of each year, ("Valuation Date"), unless the Annex for the respective sub-fund contains regulations to the contrary. "Banking day" means any day on which the banks in Frankfurt am Main and Luxembourg are open for business. The Management Company can decide to calculate the unit value on 24 and 31 December of a given year, although the values calculated shall not be considered unit value calculations on a Valuation Date within the meaning of the sentence above. This means that investors cannot demand the issue and/or redemption of units on the basis of a Net Asset Value that was calculated on 24 and 31 December of a given year.

In order to determine the unit value, the value of the assets belonging to a sub-fund/to the unit class, minus the sub-fund/unit class liabilities, is calculated on each Valuation Date ("Net Sub-Fund Assets"). This amount is divided by the number of units in the sub-fund/unit class

outstanding on the Valuation Date and then rounded to two decimal places ("Net Asset Value").

The respective Net Sub-Fund Assets are calculated based on the following principles:

- a) Assets officially listed on a stock exchange are valued at the last available price. If an asset is listed on several stock exchanges, the last available price on the stock exchange that is the principal market for the asset in question is used.
- b) Assets that are not listed on the stock exchange, but are traded on another regulated, recognised market that is open to the public and operates regularly, are valued at a price which must be no lower than the bid price and no higher than the offer price at the time of valuation and which the Management Company deems to be the best possible price at which the assets can be sold.
- c) Unlisted derivatives are valued on a day-to-day basis using a verifiable procedure to be determined by the Management Company. Pricing of these derivatives is based on standard criteria verifiable by the auditor.
- d) If the prices referred to under a) and b) above are not in line with the market rates, or if an asset is not listed or traded on a stock exchange or another regulated market, or if, in the case of assets that are listed or traded on a stock exchange or another regulated market, the prices calculated pursuant to the provisions set out under a) or b) do not appropriately reflect the fair value of the respective assets, these assets, as well as all other assets, shall be valued at their market value as determined by the Management Company in good faith and based on valuation rules that are generally accepted and can be verified by auditors.
- e) The pro rata interest accrued on assets shall be included to the extent that it is not expressed in the quoted price.
- f) The liquidation value of forwards or options that are not traded on stock exchanges or other organised markets shall be calculated in line with the principles set out by the Management Company on a basis that is applied consistently for all different types of contracts. The liquidation value of futures or options that are traded on stock exchanges or other organised markets shall be calculated based on the last available settlement prices for such contracts on the stock exchanges or other organised markets on which these futures or options are traded by the Fund; if a future, forward or an option contract cannot be liquidated on a day for which the Net Asset Value is calculated, the calculation shall be based on such value as the management may consider fair and reasonable.
- g) Cash and cash equivalents shall be valued at their nominal value plus accrued interest. Time deposits can be valued at the nominal value plus accrued interest, provided that a corresponding contract between the financial institution responsible for the safe-keeping of the time deposits and the Management Company states that these time deposits can be terminated at any time and that, in the event of

termination, the realisation value is equal to this nominal value plus accrued interest.

- h) Target fund units are valued at the Net Asset Value most recently calculated and available. If the redemption of investment units has been suspended, or if no redemption prices are determined, the units, as well as all other assets, shall be valued at the respective realisable value as determined by the Management Company in good faith and based on the realisable value that would most likely be calculated.
- i) All assets not denominated in the fund currency shall be converted into the relevant fund currency at the last available exchange rate. Any gains or losses from foreign exchange transactions shall be added or subtracted.
- j) All other securities or other assets shall be valued at the fair realisable value as determined by the Management Company in good faith and based on a procedure stipulated by the latter.

The Management Company can choose to allow other valuation methods at its own discretion if it deems this appropriate in the interest of a more adequate valuation of a fund asset.

If the Management Company takes the view that the Net Asset Value calculated on a certain Valuation Date does not reflect the fair value of the sub-fund units, or if there have been considerable fluctuations on the relevant stock exchanges and/or markets since the Net Asset Value was calculated, the Management Company can opt to update the Net Asset Value on the very same day. In such cases, all subscription and redemption orders received for this Valuation Date shall be executed based on the Net Asset Value that has been updated taking into account the principles of good faith.

The respective Net Sub-Fund Assets may be reduced by distributions paid to the investors of the relevant sub-fund.

In the case of unit classes, the resulting unit value shall be calculated separately for each unit class based on the criteria set out below. The composition and allocation of the assets shall always be performed for the sub-fund as a whole.

17. Suspension of the issue, conversion and redemption of units, and suspension of the calculation of the net asset value

The Management Company is authorised to suspend the calculation of the Net Asset Value, as well as the issue, conversion and redemption of units, for a limited period if, and for as long as, circumstances prevail which make such suspension necessary.

This is the case, in particular:

- a) during a period in which a stock exchange or another regulated, recognised market that is open to the public and operates regularly, on which a considerable part of the fund assets are listed or traded, is closed (except on customary weekends or public holidays) or trading on this stock exchange or market has been suspended or restricted;

- b) in emergency situations in which the Management Company cannot dispose of fund assets or in which the Management Company cannot freely transfer the consideration for investment purchases or sales, or cannot calculate the Net Asset Value properly; and/or
- c) during a period of disruption affecting the means of communication usually employed, or aids used to calculate the Fund's Net Asset Value or prices on the stock markets or on the markets on which a considerable portion of the Fund's assets are listed/traded.
- d) During a period of temporary suspension of the calculation of the net asset value of a UCITS or UCI (or a sub-fund of one of these), in which the Fund is invested; and/or
- e) During a period in which the Board of Directors considers it impossible to value or sell assets due to particular circumstances.

The Management Company shall ensure that the investors are duly informed of the suspension. Investors who have submitted an order for the subscription, conversion or redemption of units for which the calculation of the Net Asset Value has been suspended shall be informed without delay of the start and – wherever possible – the anticipated end of the suspension period. If the issue of units in the Fund is suspended, the Management Company may decide that units from redemptions by existing or new investors may be bought and sold via a secondary market. The price of units traded on the secondary market depends, inter alia, on market supply and demand, other factors such as the prevailing conditions for the financial markets and companies, and economic and political conditions. In addition, such unit orders may result in costs over which the Management Company has no influence.

General investment policy, investment objectives, general risks

18. Investment objectives and investment policy

The Management Company shall determine the investment objectives and investment policy of each sub-fund. These are set out in detail in the Annex to this Prospectus that applies for the respective sub-fund. The investment objectives and the investment policy of each sub-fund shall be implemented in accordance with the investment principles and investment restrictions set out under item 19, and in line with the principle of risk diversification.

The Management Company can opt to make guarantees for particular sub-funds/unit classes. Further details are set out in the relevant Annex.

19. General investment principles and investment restrictions

The following definitions apply:

"Non-member state": a non-member state, within the meaning of this Prospectus, is any European country that is not a member of the European Union, as well as any country in America, Africa, Asia, Australia or Oceania.

"Money market instruments":

Instruments that are usually traded on the money market, are liquid, and the value of which can be precisely determined at all times.

"Regulated market": A market as defined in Article 4, item 14 of Directive 2004/39/EC on markets in financial instruments.

"Law of 17 December 2010":

Law of 17 December 2010 on Undertakings for Collective Investment (including any subsequent amendments and supplements).

"UCI":

Undertaking for collective investment.

"UCITS":

Undertaking for collective investment in transferable securities which is subject to Directive 2009/65/EC.

"Directive 2009/65/EC":

Council Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (including any subsequent amendments).

"Council Directive 2004/39/EEC": the Council Directive 2004/39/EEC of 21 April 2004 on markets in financial instruments (including any subsequent amendments).

"Securities":

- Shares and other securities equivalent to shares ("shares").
- Bonds and other forms of securitised debt ("debt securities").
- Any other negotiable securities which carry the right to acquire any such securities by subscription or exchange, with the exception of the techniques and instruments set out under item 19.5.

The investment policy of each sub-fund is subject to the following regulations and investment restrictions:

19.1 The investments made by a sub-fund can consist of the following assets

- a) Securities and money market instruments that are listed or traded on a regulated market;
- b) Securities and money market instruments that are traded on another regulated, accepted and duly operated market that is open to the public and in a member state of the European Union;
- c) Securities and money market instruments that are approved for official listing on a stock exchange in a non EU-member state, or which are traded on another regulated market in that country which is accepted, open to the public and is duly operating;

- d) Newly issued securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for official listing on a stock exchange or to trading on a regulated market within the meaning of the provisions set out above under 19.1 a) to c), and that such admission is secured within one year of the issue at the latest;
 - e) Shares or units in UCITS authorised pursuant to Directive 2009/66/EC and/or other UCI within the meaning of Article 1 (2) lit. (a) and lit. (b) of Directive 2009/65/EC which have their registered office in a member state of the European Union or a non-member state, provided that
 - these other UCI were authorised in accordance with legal provisions that subject them to official supervision which the Luxembourg supervisory authority that is responsible for the financial sector (the "CSSF") deems to be equivalent to supervision under EU law, and that there is a sufficient guarantee that the authorities will cooperate;
 - the level of protection offered to investors in the other UCI is equivalent to the level of protection offered to investors in a UCITS and, in particular, the provisions governing the segregation of assets, borrowing, the granting of loans and the short selling of securities and money market instruments are equivalent to the requirements set out under Directive 2009/65/EC;
 - the business activities of the other UCI are subject to interim and annual reporting that allows investors to assess the assets and liabilities, income and transactions during the period under review;
 - the organisational documents of the UCITS or this other UCI in which shares/units are to be acquired stipulate that it may not invest more than 10% of its assets in shares/units in other UCITS or other UCI;
 - f) Deposits repayable on demand or deposits with the right to be withdrawn, with a term of 12 months at the most, made with credit institutions, provided that the credit institution in question has its registered office in a member state of the European Union, or, in the event that it has its registered office in a non-member state, provided that it is subject to supervisory regulations which the CSSF deems equivalent to those under EU law;
 - g) Derivative financial instruments ("derivatives"), i.e. in particular, options and futures, as well as swap transactions, including equivalent instruments that are settled in cash, which are traded on one of the regulated markets referred to under a), b) and c), and/or derivative financial instruments that are not traded on a stock exchange ("OTC derivatives"), provided that
 - The underlyings are either instruments within the meaning of this item 19.1 a) to h), or financial indices, interest rates, exchange rates or currencies;
 - the counterparties in transactions involving OTC derivatives are institutions subject to official supervision belonging to the categories authorised by the CSSF and
 - the OTC derivatives are subject to a reliable and verifiable valuation on a day-to-day basis, and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value on the Fund's initiative;
 - h) Money market instruments that are not traded on a regulated market and do not fall under the definition set out above, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are
 - issued or guaranteed by a central, regional or local authority or central bank of a member state, the European Central Bank, the European Union or the European Investment Bank, a non-member state or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more member states belong, or
 - issued by a company whose securities are traded on the regulated markets referred to under (a), (b) and (c) above, or
 - issued or guaranteed by an establishment subject to official supervision, in accordance with criteria defined by EU law, or by an institution which is subject to and complies with supervisory regulations which the CSSF deems to be at least as stringent as those laid down by EU law; or
 - issued by other bodies belonging to the categories authorised by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose equity amounts to at least EUR 10 million (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, or is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- 19.2 In addition, the individual sub-fund can**
- a) invest up to 10% of its net assets in securities and money market instruments other than those set out under 19.1;
 - b) hold cash and cash equivalents;
 - c) borrow for a short period of time in an amount corresponding to 10% of its net assets. Cover transactions in connection with the sale of options or with the purchase or sale of forward or futures contracts shall not be deemed to constitute borrowing within the meaning of this investment restriction;
 - d) purchase currencies as part of a "back-to-back" loan;

- e) invest in other sub-funds of the Fund (if the Fund consists of more than one sub-fund) in accordance with the conditions set out in Article 181 (8) of the Law of 17 December 2010. Please note that the target sub-fund in turn is not allowed to invest in the sub-fund which acquired units in the target fund (ban on circular investments) and that, according to its organisational documents, the target sub-fund whose units are to be acquired may invest a maximum total of 10% of its assets in units in the Fund's other target sub-funds.

19.3 Furthermore, the sub-fund shall adhere to the following investment limits

- a) Individual sub-funds may invest no more than 10% of their net assets in securities or money market instruments issued by the same issuer. Sub-funds may invest no more than 20% of their net assets in deposits with the same institution. The counterparty default risk in transactions involving OTC derivatives executed by a sub-fund may not exceed 10% of that sub-fund's net assets if the counterparty is a credit institution within the meaning of 19.1 f). In all other cases, the limit is 5% of the sub-fund's net assets.
- b) The total value of the securities and money market instruments issued by issuers in which the sub-fund invests more than 5% of its net assets in each case, may not exceed 40% of the value of that sub-fund's net assets. This restriction shall not apply to deposits and transactions involving OTC derivatives executed with financial institutions that are subject to official supervision.

Notwithstanding the individual limits specified in 19.3 a), a sub-fund may invest no more than 20% of its net assets, with the same institution, in a combination of

- securities or money market instruments issued by this institution and/or
- deposits with this institution and/or
- transactions involving OTC derivatives executed with this institution.

- c) The limit specified in 19.3 a) sentence 1 amounts to a maximum of 35% if the securities or money market instruments are issued or guaranteed by a member state of the European Union or its political sub-divisions, by a non-member state or by a public international body to which at least one member state of the European Union belongs.
- d) The limit specified in 19.3 a) sentence 1 amounts to a maximum of 25% for certain bonds, if these are issued by a credit institution with its registered office in a member state of the European Union which is subject to special official supervision due to statutory provisions on the protection of the holders of these bonds.

In particular, the proceeds from the issue of these bonds must, in line with the statutory provisions, be invested in assets that sufficiently cover the resulting liabilities for the entire term of the bonds, and which, in the event of default by the issuer, would be used

on a priority basis for the reimbursement of the principal and payment of the accrued interest.

If a sub-fund invests more than 5% of its net assets in bonds, within the meaning of the sub-paragraph above, that are issued by the same issuer, the total value of these investments may not exceed 80% of the value of the net assets of the sub-fund in question.

- e) The securities and money market instruments referred to under 19.3 c) and d) shall not be counted towards the 40% investment limit provided for in 19.3 b). The limits set out in 19.3 a), b), c) and d) may not be combined, and thus investments made in securities or money market instruments issued by the same issuer or in deposits with this issuer or in derivatives issued by the latter pursuant to 19.3 a), b), c) and d) may not exceed a total of 35% of the net assets of the sub-fund.

Companies belonging to a group of companies with respect to the preparation of consolidated accounts within the meaning of Directive 83/349/EEC or in accordance with recognised international accounting standards, shall be considered as a single issuer when the investment limits provided for under items a) to e) are calculated.

A sub-fund may cumulatively invest up to 20% of its net assets in securities and money market instruments within one group.

- f) Without prejudice to the limits stipulated under 19.3 k), l) and m) below, the limits stipulated in 19.3 a) to e) are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same issuer if the objective of the sub-fund's investment strategy is to replicate a particular equity or debt securities index that is recognised by the CSSF. This is subject to the proviso that
- the composition of the index is sufficiently diversified;
 - the index is an adequate benchmark for the market to which it refers;
 - the index is published in an appropriate manner.
- g) The limit stipulated under 19.3 f) is raised to 35% where this is justified in light of extraordinary market conditions, in particular on regulated markets where certain securities or money market instruments are highly dominant. Investments may be made up to this limit with a single issuer only.
- h) **Notwithstanding the provisions set out under 19.3 (a) to (e), the individual sub-funds may, in line with the principle of risk diversification, invest up to 100% of their net assets in securities and money market instruments from different issues that are issued or guaranteed by a member state of the European Union or its political sub-divisions, or by a member state of the OECD or by public international bodies of which one or more member states of the European Union are members, or by other states recognised by the CSSF (e.g. Brazil, Singapore, Russia, Indonesia and South Africa), provided that (i) the investors in the Fund enjoy the same**

protection as investors in funds that adhere to the investment limits set out in 19.3 a) to g), (ii) such securities were issued in at least six different issues and (iii) no more than 30% of the net assets of the sub-fund are invested in securities from the same issue.

- i) A sub-fund may acquire shares/units in other UCITS and/or other UCI within the meaning of 19.1 e) provided that no more than 20% of its net assets are invested in shares/units in the same UCITS or another UCI.

For the purpose of the application of this investment limit, each sub-fund of an umbrella fund within the meaning of Article 181 of the Law of 17 December 2010 is to be considered as a separate issuer, provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured.

- j) Investments made in shares/units of UCI other than UCITS may not in aggregate exceed 30% of the net assets of a sub-fund.

If a sub-fund has acquired shares/units of UCITS and/or other UCI, the assets of the respective UCITS or other UCI do not have to be combined for the purposes of the limits specified in 19.3 a) to e).

If the sub-fund purchases shares/units in other UCITS and/or other UCI which are managed, be it directly or indirectly, by the same management company, or by another company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the sub-fund's investment in the units of such other UCITS and/or other UCI.

Furthermore, in the event that the sub-fund invests a substantial proportion of its net assets in shares/units in other UCITS and/or other UCI, the maximum amount of the share of management fees that may be charged both to the fund assets and to the UCITS and/or other UCI in which the sub-fund invests, shall be set out in the annual report of the Fund.

- k) For all of the UCITS managed by it, the Management Company may not acquire shares carrying voting rights to an extent that would allow it, on the whole, to exercise significant influence on the management of the issuer.
- l) Furthermore, a sub-fund may not, all in all, acquire more than:
- 10% of the non-voting shares of the same issuer;
 - 10% of the bonds issued by the same issuer;
 - 25% of the shares/units in the same UCITS and/or other UCI;
 - 10% of the money market instruments issued by the same issuer.

The limits set out in the second, third and fourth indent may be disregarded at the time of acquisition if the gross amount of the bonds or the money market instruments, or the net amount of the shares/units issued, cannot be calculated.

- m) The provisions set out above under 19.3 k) and l) are not applicable with respect to:

- securities and money market instruments that are issued or guaranteed by a member state of the European Union or its political sub-divisions;
- securities and money market instruments that are issued or guaranteed by a non-member state;
- securities and money market instruments that are issued or guaranteed by public international bodies of which one or more member states of the European Union are members;
- shares held in the capital of a company incorporated in a non-member state of the European Union, (i) which invests its assets mainly in securities issued by issuers having their registered office in that state, (ii) where under the legislation of that state, such a holding represents the only way in which securities from issuers in that state can be acquired, and (iii) insofar as the company adheres to limits set out above under 19.3 a) to e) and 19.3 i) to l) when investing.

- n) A sub-fund may not acquire either precious metals or certificates representing them.
- o) A sub-fund may not invest in real estate, although investments in asset-backed securities, or interest accrued thereon, or investments in securities issued by companies that invest in real estate and interest accrued thereon are permitted.
- p) Neither the Management Company nor the custodian bank may grant loans or guarantees to third parties at the expense of the respective sub-fund assets, although this investment restriction shall not prevent the sub-fund from investing its sub-fund assets in securities, money market instruments or other financial instruments within the meaning of 19.1 e), g) and h) above that have not been fully paid up.
- q) Neither the Management Company nor the custodian bank may engage in short sales of securities, money market instruments or other financial instruments referred to in 19.1 e), g) and h) above for the account of the individual sub-fund.

19.4 Notwithstanding any provisions to the contrary contained herein

- a) A sub-fund does not have to adhere to the limits set out above under 19.1 to 19.3 when exercising subscription rights attaching to the securities or money market instruments which form part of its assets;
- b) and, notwithstanding its obligation to ensure compliance with the principle of risk diversification, the individual sub-fund can derogate from the provisions set out above under 19.3 a) to j) during a period of six months after its authorisation by the CSSF;
- c) if it exceeds these provisions for reasons beyond its control or as a result of the exercise of subscription rights, the sub-fund must then adopt as a priority objective for its sales transactions, to rectify the situation, taking due account of the interests of the investors;

- d) in the case that an issuer forms a single legal entity together with several sub-funds where the assets of a sub-fund are exclusively reserved for the investors in this sub-fund and for the creditors whose claim has arisen in connection with the creation, operation or liquidation of the sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of applying the provisions on risk diversification set out in 19.3 a) to g), as well as in 19.3 i) and j).

The Management Company is entitled to set out additional investment restrictions for the individual sub-funds insofar as this is necessary in order to comply with the laws and regulations in countries in which the units in a sub-fund are offered or sold.

19.5 Other techniques and instruments

a) General provisions

To ensure the efficient management of the respective sub-fund assets, or the maturity or risk management of the sub-fund assets, a sub-fund may use derivatives and other techniques and instruments.

If these transactions relate to the use of derivatives, the terms and conditions and the limits must be in line with the provisions set out in 19.1 to 19.4 above. Furthermore, the provisions on risk management procedures for derivatives set out in 19.6 must be taken into account. Derivatives can be used for hedging and/or investment purposes, as described in further detail in the applicable Annex.

The individual sub-fund may not, under any circumstances, deviate from the investment objectives set out in the Annex as regards transactions involving derivatives or other techniques and instruments.

b) Securities loans, repurchase agreements

In accordance with Luxembourg law, and in particular CSSF Circular 08/356, the Fund can employ other techniques and instruments based on securities and money market instruments. The Fund is entitled to conclude securities lending, repurchase and buy-back transactions for the purpose of efficient portfolio management and/or for hedging purposes.

The cash collateral received by the Fund in this connection can be reinvested by the Fund in line with the investment policy within the diversification limits of the Law of 17 December 2010. The same applies to cash collateral received in connection with OTC derivatives.

The Fund is entitled to accept all of the forms of collateral provided for in Circular 08/356 to secure obligations.

19.6 Risk management procedure

A risk management procedure will be applied for the Fund, allowing the Management Company to monitor and measure the risk associated with the investment positions of the individual sub-funds, as well as their respective proportion of the overall risk exposure of the investment portfolio, at all times. As far as OTC derivatives ("over the counter" derivatives) are concerned, a procedure that enables the precise and independent

measurement of the value of the OTC derivative shall be applied in this respect.

The Management Company shall ensure, for the Fund, that the overall risk exposure related to derivatives does not exceed the total Net Asset Value of the individual sub-fund portfolio. This risk shall be calculated taking into account the market value of the respective underlyings, the counterparty default risk, future market fluctuations and the liquidation period for the positions.

A sub-fund is entitled, as part of its investment strategy, to invest in derivatives within the limits specified in 19.3 e) above, provided that the total underlying exposure does not exceed the investment limits set out in 19.3 a) to e) above. If a sub-fund invests in index-based derivatives, these investments do not have to be counted as part of the investment limits set out in 19.3 a) to e) above.

A derivative embedded in a security or a money market instrument must be taken into account as regards compliance with the provisions referred to above.

The Management Company determines the total risk of the respective sub-fund in accordance with CSSF Circular 11/512 of 30 May 2011 and the ESMA Guidelines 10-788 of 28 July 2010. The Management Company can determine the total risk on the basis of the commitment approach, the relative Value at Risk (VaR) approach or the absolute VaR approach. The method used for the sub-fund is set out in the Annex.

When the total risk for the sub-fund is determined in accordance with the relative or absolute VaR approach, the anticipated extent of leverage and the potential of increased leverage is specified in the Annex. The anticipated extent of leverage is determined in accordance with the requirements of CSSF Circular 11/512 and the method used to determine the leverage is set out in the Annex.

If the sub-fund uses the relative VaR approach, information about the reference portfolio is also explained in the Annex.

20. General information on risk

An investment in a sub-fund is associated with risks; these risks can include or be related to stock and bond market risks, exchange rate, exclusivity, interest rate, credit and volatility risks, as well as political risks. These risks can combine. Some of these risks are described in further detail below.

Potential investors should have experience of investing in instruments that are to be used in implementing the planned investment policy, and should be aware of the general risks of price fluctuations. These price fluctuations can cause the unit price to rise or fall. The use of derivatives, as well as other techniques and instruments, is associated with far higher risks than traditional forms of investment. In particular, investors should consider the following risks:

Market risk

The market risk is a general risk, meaning that it is associated with all forms of investment. The price and market development of securities depends, in particular, on developments on the capital markets, as well as the financial performance of the issuer which, in turn, can be influenced by the general situation on the global economy, as well as by the economic and political conditions in the relevant countries.

Counterparty risk

The counterparty risk relates to the risk that a party to a reciprocal contract will default in full or in part. Off-exchange OTC ("over-the-counter") transactions can expose the sub-funds to risks as regards the creditworthiness of the counterparties and their ability to fulfil the agreement. Options, forward and swap transactions can expose the sub-fund to such risks if the counterparty is unable to fulfil its obligations either at all, or in part.

Credit risk

An investment in sub-fund units may be associated with a credit risk relating to the respective issuers of bonds and debt securities. In the event of financial or economic difficulties, the value of the bonds or debt securities can fall to as low as zero. Similarly, the event can have a negative impact on the payments to be made with respect to these bonds or debt securities, which can also fall to as low as zero. The credit rating of the issuer can be used as a parameter of its credit quality. All the credit risks associated with a specific bond are explained in detail in the issuing prospectus.

Liquidity risk

In principle, the intention is that securities that can be re-sold at any time are to be acquired for the sub-funds. Assets that are not admitted to official trading on a stock exchange or included in an organised market, such as OTC derivatives, may also be acquired. Liquidity risks arise as a result of problems in selling securities or other assets. For example, if a position is particularly large or the relevant market is illiquid, a transaction may not be initiated or a position may not be sold at an advantageous price or not sold at all.

Currency risk

To the extent that assets of a sub-fund are invested in currencies other than the relevant fund currency, the Fund receives income, repayments and proceeds from such investments in the currency in question. If the value of this currency falls against the sub-fund currency, the value of the sub-fund also falls.

Legal and tax risk

The legal and tax framework and the treatment of funds, any type of security, listed derivatives and OTC derivatives may change in a manner that is unforeseeable or cannot be influenced.

Derivatives

The sub-funds can employ derivatives both for hedging purposes and as part of the investment strategy. The derivative financial instruments can include, *inter alia*, conventional or exotic options, forward contracts on financial instruments and conventional or exotic options on such contracts, as well as swap contracts on all types of financial instruments.

Derivatives trading is employed within the investment limits, and serves to ensure the efficient management of the sub-fund assets, as well as maturity and risk management. In this respect, the time-limited rights acquired can expire worthless or diminish in value.

OTC derivatives

The respective sub-fund can employ derivatives on interest rates, currencies, equities, indices and other financial instruments within the framework of the investment principles. If no market price is available for the aforementioned derivatives transactions, the price is determined at the time the transaction is concluded, and on each day on which the unit price is calculated, using recognised valuation models and based on the market value of the underlyings. The closing of the transactions and the prices determined will be documented.

OTC derivatives are unlisted financial instruments. This means that they are associated with a higher liquidity and counterparty risk compared with exchange-traded derivatives. The prices of OTC derivatives can be very volatile, and they may expire worthless. The International Swap and Derivatives Association ("ISDA") and the associations of the German banking industry, which are organised in the Central Credit Committee (*Zentraler Kreditausschuss – ZKA*), have drawn up standardised documentation for this type of transaction in their respective framework agreements, the ISDA Master Agreement and the German Master Agreement for Financial Derivatives Transactions (*Deutscher Rahmenvertrag für Finanztermingeschäfte - DRV*). Furthermore, the ISDA supervises the settlement of CDS contracts when a credit event occurs.

Exchange-traded derivatives

Exchange-traded derivatives are far more liquid than their OTC counterparts. The counterparty risk is normally borne by a clearing house. The prices of exchange-traded derivatives can also be very volatile, and they may expire worthless.

Potential conflicts of interest

The Fund will ensure that transactions executed with counterparties on OTC markets are based on standard market conditions.

The actual fulfilment of investment objectives cannot be guaranteed.

General information, costs, financial year, tax

21. Fund taxes

Pursuant to Art. 174 et seq. of the Law of 17 December 2010, the respective sub-fund assets are subject to tax ("taxe d'abonnement") of 0.05% p.a. in the Grand Duchy of Luxembourg. This tax is payable quarterly on the Net Sub-Fund Assets as at the end of the quarter. The *taxe d'abonnement* for sub-funds/unit classes reserved for institutional investors amounts to 0.01% p.a.

The sub-fund income is not taxed in Luxembourg. This income may, however, be subject to withholding tax in countries in which the fund assets are invested. In such cases, neither the custodian bank nor the Management Company is obligated to obtain tax certificates.

On 1 July 2005, Directive 2003/48/EC of 3 June 2002 on taxation of savings income in the form of interest payments ("EU Savings Tax Directive") came into force. The aim of the EU Savings Tax Directive is to ensure the effective taxation of cross-border interest income paid to natural persons in the EU. For this purpose, an automatic exchange of information was set up between the EU member states as regards cross-border interest payments. Certain EU member states (Austria and Luxembourg) are permitted, for a transition period, to deduct withholding tax instead of exchanging information.

The EU has concluded agreements with a number of non-member states (in particular with Switzerland, Liechtenstein, the Channel Islands, Monaco and Andorra) which are similar to the EU Savings Tax Directive.

If a natural person who is resident in another EU member state for tax purposes holds fund units via a paying agent in Luxembourg, this paying agent is, in principle, obligated to levy withholding tax at a rate of 35% on certain interest payments within the meaning of the EU Savings Tax Directive. Alternatively, investors have the option of switching from withholding tax to the exchange of information.

The same applies if the units are held via a paying agent in Austria (or certain non-member states such as Switzerland), and the investor is resident in another EU member state for tax purposes.

If the units are held by natural persons via a paying agent in other EU states (or certain non-member states) (in which these persons are not resident for tax purposes), this foreign paying agent will report certain interest payments to the local tax authorities which, in turn, will pass the information on to the tax authorities in the country in which the investor is resident.

The term "interest payments", within the meaning of the EU Savings Tax Directive, has a broad meaning and covers, subject to certain conditions, distributions or redemption proceeds.

Distributions made by the Fund do not, however, fall under the scope of the EU Savings Tax Directive if the Fund does not invest more than 15% of its assets, either directly or indirectly, in debt claims within the meaning of the EU Savings Tax Directive.

Income generated as a result of the sale or redemption of fund units does not, however, be covered by the

scope of the EU Savings Tax Directive if the Fund does not invest more than 25% of its assets, either directly or indirectly, in debt claims (e.g. bonds) within the meaning of the EU Savings Tax Directive.

The information provided here is based on the current legislation and practices of the tax authorities, and may be subject to change.

Investors are recommended to obtain information on any statutory or tax-related consequences (also as regards the application of the EU Savings Tax Directive) arising pursuant to the laws of their country of nationality, the country in which they reside or the country in which they have their ordinary residence, and which could be relevant with respect to subscription for, or the purchase, ownership, redemption or transfer of units, and to seek advice where appropriate.

22. Fund costs

The Management Company can charge the individual sub-funds the types of costs specified in the relevant Special Fund Rules for the sub-fund and in the General Fund Rules.

The costs, expressed as a percentage of the Net Sub-Fund Assets, are set out in the Annex for the sub-fund in question. Details on their amount, calculation and payout are contained in the Annex for the relevant sub-fund. Costs actually incurred which cannot be specified as a percentage may be charged to the sub-fund assets.

All costs and fees are initially offset against current income, then against net capital gains, and then finally against the respective Net Sub-Fund Assets.

Nevertheless, the Management Company retains the right not to charge the respective sub-fund for certain costs which could be charged to the Net Sub-Fund Assets, but rather to bear these costs directly using the assets of the Management Company.

The costs, fees, duties and extraordinary expenses that arise in connection with a certain unit class are allocated to the corresponding unit class.

The costs, fees, duties and extraordinary expenses that are not attributable to a specific unit class within the individual sub-fund are charged to the unit classes within the sub-fund pro rata to the net assets of the corresponding unit classes.

The costs incurred for the formation of the Fund and the initial issue of units can be amortised over a period of five years at the most.

23. Distribution policy

The Management Company shall decide, for each sub-fund/unit class, whether, as a general rule, distributions will be made to the investors from the sub-fund assets or the fund income will be reinvested. The specific distribution policy pursued by the sub-fund or unit class is set out in the Annex.

Income from interest, dividends and/or forward transactions, less costs ("net income"), as well as net

realised price gains, can be distributed. Furthermore, unrealised price gains and other assets can be distributed as long as the Net Sub-Fund Assets do not fall below the minimum EUR 1.25 million threshold stipulated by the Law of 17 December 2010 as a result of the distribution.

The Management Company is authorised to make interim distributions.

In the event that a distribution is made in the form of bonus units, any remaining fractional amounts can be paid out in cash or credited. Distribution amounts that remain unclaimed five years after the publication of a distribution notice are forfeited and revert to the sub-fund.

It is, however, at the discretion of the Management Company to decide whether or not to payout distribution amounts, from the respective sub-fund assets, even after the five-year period has lapsed.

24. Financial year

The financial year of the Fund will end on 31 December of each year, and for the first time on 31 December 2009. The first financial year is an abridged financial year running from the initial issue date until 31 December 2009.

25. Term of the sub-funds

The sub-funds have been launched for an unlimited period unless the Annex for the relevant sub-fund contains provisions to the contrary.

26. Liquidation and merger of the Fund and the sub-funds

26.1 Liquidation of the Fund and liquidation of sub-funds

Neither investors nor their heirs/successors may require the liquidation and/or split of a sub-fund.

Individual sub-funds can be liquidated by the Management Company at any time. The Management Company will act as the liquidator as a general rule. Sub-funds must be liquidated in statutorily defined cases, as well as in the event of the liquidation of the Management Company. Any such liquidation will be published by the Management Company in the *Mémorial*, the Official Gazette of the Grand Duchy of Luxembourg, and in at least two daily newspapers in accordance with the statutory provisions. One of these daily newspapers must be published in Luxembourg.

If circumstances arise resulting in the liquidation of a sub-fund, the issue of units will be suspended. Units in this sub-fund can still be redeemed provided that equal treatment of the investors is guaranteed.

The custodian bank will distribute the liquidation proceeds, less the liquidation costs and fees, to the investors pro rata to their respective units, upon instruction by the Management Company or, where appropriate, the liquidators appointed by the latter or by the custodian bank with the consent of the CSSF. Liquidation proceeds that have not been claimed by investors by the end of the liquidation proceedings, will to the extent required by law in such cases, be converted into Euros and,

following the conclusion of the liquidation proceedings, deposited by the custodian bank with the *Caisse des Consignations* in Luxembourg, in accordance with Article 146 of the Law of 17 December 2010, for the account of the eligible unit holders. These amounts are forfeited if they are not claimed within the statutory period.

If a sub-fund is a Feeder of another UCITS (or a sub-fund thereof), the liquidation or merger of the other UCITS (or its sub-fund) will lead to the liquidation of the Feeder, unless, with the CSSF's permission, the Feeder changes its investment policy within the limits of the Law of 17 December 2010.

26.2 Merger of the Fund and merge of sub-funds

The Management Company can, by way of a resolution passed by the Board of Directors, decide to merge or consolidate a sub-fund with another sub-fund of the Fund or merge or consolidate it with another fund (or a sub-fund of that fund), taking into account the provisions of the Law of 17 December 2010.

27. Coming into force of, and amendments to, the General and Special Fund Rules

The latest version of the General Fund Rules, which are in line with the provisions set out in the Law of 17 December 2010, came into force on 10 March 2012.

A notice stating that they were filed with the Luxembourg commercial register was published in the *Mémorial* on 15 February 2012.

The provisions set out in the individual Special Fund Rules for the respective sub-funds shall apply in supplement to or in derogation of the above.

The Management Company is entitled to amend the General Fund Rules of the Fund or the Special Fund Rules that apply to a sub-fund, at any time, either in full or in part. Any such amendments shall come into force, following approval by the CSSF, on the date on which the relevant document is signed, unless otherwise specified.

Any amendments to the General and Special Fund Rules will be filed with the Luxembourg commercial register. Furthermore, a notice on such filing will be published in the *Mémorial*.

28. Publications

The issue price and redemption price of the sub-fund units, the General and Special Fund Rules, the Prospectus and the key investor information are available from the Management Company, the custodian bank, all paying agents and the distribution and sub-distribution agents, and can be accessed at www.assenagon.com. To the extent that is required by law or if stipulated by the Management Company, the issue price and the redemption price for the individual sub-funds will be published in a daily newspaper, determined by the Management Company, in those countries in which the units are offered to the public.

Four months after the end of each financial year of the Fund at the latest, the Management Company will make

an audited annual report available, providing information on the sub-fund assets, their management and the results achieved. The first audited annual report will be prepared as at 31 December 2009 and published by 30 April 2010 at the latest.

At least two months after the end of the first half of each financial year of the Fund, the Management Company will make an unaudited interim report available, providing information on the sub-fund assets and their management during the half-year under review. The first unaudited interim report will be prepared as at 30 June 2009 and published by 31 August 2009 at the latest.

The annual report and all interim reports of the Fund are available to investors free of charge from the Management Company, the custodian bank and all paying agents, and can be accessed at www.assenagon.com.

Furthermore, the documents listed below will be available for inspection at the registered office of the Management Company during normal business hours:

- a) The Memorandum and Articles of Association of the Management Company;
- b) The Administration Agreement together with the Registrar and Transfer Agency Schedule;
- c) The Custodian Agreement together with the Paying Agent Schedule.

Notices to the investors shall be published in at least one supra-regional daily newspaper in Luxembourg. Notices to investors holding units that are distributed to the public in other countries will be published in line with the

regulations set out in the additional information for these countries. Information on the performance of the individual sub-funds over the past 5 years – to the extent available – will be included with the key investor information.

29. Governing law, place of jurisdiction and language

The General and Special Fund Rules, as well as those that apply to the sub-funds, are subject to Luxembourg law. The district of Luxembourg City has subject-matter jurisdiction over all legal disputes between investors, the Management Company and the custodian bank.

The Management Company and the custodian bank are entitled to subject themselves and the Fund to the jurisdiction and laws of any country in which the fund units are distributed to the public, provided that the claims are filed by investors resident in the country in question and relate to unit subscription and redemption.

The German version of this Prospectus and of the General and Special Fund Rules shall prevail, and shall take precedence in the event of any translation discrepancies.

With respect to units sold to investors in the respective country, the Management Company and the custodian bank are entitled to declare translations into the languages of the countries in which such units are distributed to the public as binding, both for themselves and for the Fund/sub-funds.

Additional information for investors in the Federal Republic of Germany

The following bank has been appointed as the paying and information agent in the Federal Republic of Germany:

Baader Bank AG
Weihenstephaner Strasse 4
D-85716 Unterschleissheim

(hereinafter referred to as the "Paying and Information Agent").

Orders for the redemption and conversion of units can be submitted to the abovementioned Paying and Information Agent.

Redemption proceeds, any distributions and payments to investors can be paid via the abovementioned Paying and Information Agent.

The following documents and pieces of information are available free of charge from the abovementioned Paying and Information Agent:

- prospectus;
- key investor information;
- General Fund Rules;
- current annual and interim reports;
- issue, redemption and conversion prices.

The agreements listed under "Publications" can be inspected on the premises of the aforementioned Information Agent.

Issue and redemption prices, as well as notices to investors, will be published under www.assenagon.com in Germany.

Information on taxation for investors in the Federal Republic of Germany

The following information provides a general overview of the tax consequences resulting from the acquisition of units in Fund for investors subject to taxation in Germany, but is no substitute for the advice provided by a tax advisor in individual cases.

The intention behind the tax information set out below is not to provide or replace binding tax advice, and the information does not claim to cover all of the tax aspects that may be relevant in connection with the acquisition, the holding or the sale of units in Fund. The information is not exhaustive, nor does it take into account the individual circumstances that may affect certain investors or groups of investors

The general tax-related information set out below, which is aimed at investors with unlimited tax liability in Germany, is based on the legislation currently in force (as at October 2011). The information also takes account of the taxation of income and capital gains following the introduction of the flat-rate withholding tax (*Abgeltungssteuer*) on private capital gains with effect from 1 January 2009.

Basic principles of fund taxation

The taxation of fund units is based on the principle of (tax) transparency if an audited annual report is prepared, and the bases of taxation in Germany, within the meaning of section 5 (1) no. 3 German Investment Tax Act (*Investmentsteuergesetz - InvStG*), are calculated and certified by a tax advisor/auditor for the respective financial year of the Fund (transparent fund). The idea behind such transparent taxation is that investors who purchase units in **Assenagon Credit** be taxed, as a general rule, as if they had received the income (of the Fund) directly.

The aim is to achieve the status of tax transparency for **Assenagon Credit** every year. In such case, the tax consequences are as follows:

1. Tax treatment of income for private investors

1.1 Introduction of a flat-rate withholding tax on investment income

1.1.1 Uniform rate of tax with specific regulations

The introduction of the flat-rate withholding tax means that a special income tax rate of 25% applies to investment income generated by private investors, irrespective of their personal tax rate. On top of this, investors are charged the solidarity surcharge of 5.5% and, where appropriate, church tax.

1.1.2 Withholding at source

The flat-rate withholding tax replaces the previous withholding tax on interest income and domestic dividends (*Zinsabschlagsteuer/Kapitalertragsteuer*). In future, it will be withheld directly at the level of the German credit institution that pays out the investment income/executes the sale transaction, and paid to the tax authorities. If the investment is held in custody abroad, German flat-rate withholding tax will not be deducted, levied there. In such cases, German investors who receive such investment income will have to declare it at a later date in their annual income tax return. This income will then also be subject to the uniform tax rate of 25% (plus the solidarity surcharge and, where appropriate, church tax).

1.1.3 Discharging effect as a general rule

Tax deduction at source for private investors, as a general rule, has a discharging effect, i.e. the taxation process is complete with the withholding of the flat-rate tax at source. This means, in principle, that investors will no longer have to declare this investment income in their personal income tax return.

Nevertheless, investors are still be subject to the obligation to declare the investment income at a later date, and have it assessed for tax purposes, if this income was not previously subject to the withholding of flat-rate withholding tax at source. This applies in particular, but not exclusively, to income from assets held in safe custody abroad, as well as to income from capitalising foreign funds.

In addition, there may also be an assessment obligation if investors who belong to a religious community for

which church tax is mandatory have not yet paid their church tax.

In certain cases, it may also be advisable for investors to exercise their option to have a voluntary assessment, in order to achieve a lower level of taxation in comparison to withholding tax (25%) (lower individual tax rate, offsettable taxes deducted at source, etc.) through the assessment.

1.1.4 Blanket allowance for savings income (*Sparer-Pauschbetrag*)

Allowance will be made for income-related expenses in connection with private capital investment by means of a blanket allowance of EUR 801, or EUR 1,602 for jointly assessed married couples (the so-called blanket allowance for savings income, or *Sparer-Pauschbetrag*). Deduction of de facto income-related expenses is not permitted, and thus all income-related expenses actually incurred shall be deemed as discharged by the blanket allowance for savings income. This is, incidentally, also the case if investors exercise their option to have an assessment.

1.1.5 Offsetting of losses

Losses relating to investment income may not be offset against income from other income types.

Within the investment income, it is only possible to offset negative investment income and losses against positive investment income and gains generated in the same year or in subsequent years. Furthermore, it is only possible to offset losses from equity sale transactions against gains from the sale of equities.

German credit institutions have been required to operate a so-called loss account for each individual since the introduction of withholding tax for, amongst others, private investors with unlimited tax liability in Germany. From 2009, losses incurred will already be taken into account at the level of the credit institution when calculating withholding tax, and documented for the loss offsetting account. The credit institution will not retain any withholding tax on positive investment income up to the amount of the negative investment income.

Furthermore, previous losses from private sale transactions within the meaning of section 23 (1) no. 2 of the German Income Tax Act (*Einkommensteuergesetz - EStG*) incurred prior to 1 January 2009 which have not yet been offset can still be offset against capital gains (as part of the tax assessment) in the future up until 2013 (inclusive).

1.2 Tax treatment of individual income components from 1 January 2009

1.2.1 Dividend income, interest and other income

Interest and other income, as well as dividends, which private unitholders receive (or are deemed to have received) as distributed income, or as distribution-equivalent (reinvested) income after 31 December 2008, are, as a general rule, taxable in full, and are subject to the special tax rate of 25% plus the solidarity surcharge and, where appropriate, church tax.

In the case of interest distributed, income similar to interest and dividends, the tax will be deducted by the relevant German agent that pays out the investment income (paying agent). No tax, however, will be deducted if a corresponding non-assessment certificate (*Nichtveranlagungsbescheinigung*) is submitted, or if an equivalent exemption order (*Freistellungsauftrag*) has been given. The half-income procedure (*Halb-Einkünfteverfahren*) will no longer apply to dividends if the income is received after 31 December 2008.

If, in the event of a distribution, the fund units are held in custody and managed by a foreign credit institution, this credit institution will not deduct any flat-rate withholding tax from the income distributed, meaning that investors are obligated to declare in their income tax returns any taxable income that has not been subject to tax deduction at the level of the German fund company.

If a foreign fund's income is not distributed, but withheld (accumulated), then private investors are in this case required to declare this income in their income tax returns. In the case of a German accumulation fund, on whose (accumulated) income equivalent to dividends the tax deduction has already been made by the fund company, there is only an assessment obligation if the investor belongs to a religious community for which church tax is mandatory.

Investment income declared in an income tax return will also be subject to the special tax rate of 25% plus the solidarity surcharge and, where appropriate, church tax.

1.2.2 Capital gains on the disposal of securities and capital gains from forward transactions

Capital gains on the disposal of securities and capital gains from forward transactions generated by the Fund are subject to tax, irrespective of the holding period, if they are distributed. This does not apply if the securities were acquired by the Fund prior to 1 January 2009, or, in the case of forward transactions, if the right commenced prior to 1 January 2009 (previous capital gains/previous capital gains from forward transactions). These gains can be distributed tax-free even after 31 December 2008. The tax-exemption of these gains is not, however, definitive for units acquired after 31 December 2008, as the gains, which are tax-free in this respect, are added to any capital gains from the units if sold at a later date.

1.2.3 Interim profit

When selling funds units, the interim profits made are subject to tax deductions of 25% plus solidarity tax and, if applicable, church tax. Interim profits paid when acquiring units may be deducted from capital assets as negative income in the year of payment, if the fund carries out a (tax) income netting procedure and this is confirmed by a tax advisor/auditor in the certification of tax bases within the meaning of section 5 (1) no. 3 of the Investment Tax Act (*Investmentsteuergesetz – InvStG*). They may also already have been taken out in tax deduction in the case of domestic custody.

1.2.4 Private capital gains from the unit itself

If the units are purchased after 31 December 2008, capital gains are taxable irrespective of the holding period. They are subject to the special tax rate of 25% plus the solidarity surcharge and, where appropriate, church tax. The capital gains must be adjusted for the interim profit and distribution-equivalent income, pro rata to the holding period, contained therein. They will be increased by any previous capital gains and previous capital gains from forward transactions distributed (tax-free) during the holding period. No tax, however, will be deducted if a corresponding non-assessment certificate (*Nichtveranlagungsbescheinigung*) is submitted, or if an equivalent exemption order (*Freistellungsauftrag*) has been given.

If the units in Assenagon Credit were purchased prior to 1 January 2009, capital gains are only taxable if they were sold within twelve months of purchase. The tax rate to be applied to the capital gains is the investor's individual tax rate and not the flat-rate withholding tax rate.

2. Tax treatment of income for investors holding the units as business assets

2.1. Interest income

Interest income and income similar to interest, as well as other income, is taxable in full for business investors. Such income is, as a general rule, subject to tax at a rate of 25% plus the solidarity surcharge, although – unlike with private investments – this does not have a discharging effect, but counts as a pre-payment for income/corporation tax due at a later date.

2.2 Dividend income

Dividends paid by German and foreign public limited companies distributed or reinvested on units held as business assets are, in de facto terms, 95% tax-free for corporations, as 5% of dividends are classed as non-deductible operating expenses.

In the case of sole proprietorships and partnerships, dividends are 40% tax-free (partial income procedure – *Teileinkünfteverfahren*).

The tax exemptions for dividend income which is distributed with respect to units held as business property or not distributed, however, only apply if the investment company publishes the Fund's gain from shares on each Valuation Date. This amount indicates the extent to which profits are included in the fund assets from dividends which have not yet been received or which are not yet classified as received and from the investment fund's realised and unrealised capital gains from domestic and foreign shares.

If dividends are subject to withholding tax at a rate of 25% plus the solidarity surcharge, this does not have a discharging effect, but shall be counted as a pre-payment for income/corporation tax due at a later date.

2.3 Capital gains on the disposal of securities and capital gains from forward transactions

Capital gains on the disposal of securities and capital gains from forward transactions are irrelevant for tax purposes for business investors if they are not distributed but rather retained (reinvested).

If these gains are distributed, they are subject to tax. Capital gains from the disposal of equities, however, are, in de facto terms, 95% tax-free for corporations, because, 5% of the capital gains are classed as non-deductible operating expenses. In the case of other business investors (e.g. sole proprietorships and partnerships), capital gains from the disposal of equities will be 40% tax-free in the future based on the partial income procedure. However, this only applies if the investment company publishes the Fund's gain from shares on each Valuation Date. On the other hand, other capital gains on the disposal of securities, as well as capital gains from forward transactions, are taxable in full.

In the case of domestic custody, the disposal gains distributed may, in the future, be subject to withholding tax at a rate of 25% plus the solidarity surcharge, although – unlike with private investments – this will not have a discharging effect, but will be counted as a prepayment for income/corporation tax due at a later date.

2.4 Capital gains from the unit itself

Gains from the disposal of fund units held as business assets are, in de facto terms, 95% tax-free for corporations if they contain dividends that are not yet deemed received for tax purposes and both realised and unrealised gains from equities in the holding period that have not yet been distributed (*Anleger-Aktiengewinn*). In the case of sole proprietorships and partnerships, investor equity gains are 40% tax-free (partial income procedure). This only applies if the Fund announces *Anleger-Aktiengewinn* on each Valuation Date. Taxation for the second time of (accumulated) income equivalent to dividends which had already been notionally included for taxation may occur through releasing balancing items created.

In the case of domestic custody, the capital gains distributed may, in the future, be subject to withholding tax at a rate of 25% plus the solidarity surcharge, although – unlike with private investments – this will not have a discharging effect, but will be counted as a prepayment for income/corporation tax due at a later date.

Right of revocation

If investment units are purchase as a result of oral negotiations held outside of the permanent business premises of the party who sold the units or who mediated their sale, the buyer can revoke his/her purchase declaration by way of a written notice to the foreign Management Company within a period of two weeks (right of revocation); this applies even if the party who sold the units or who mediated their sale has no permanent place of business. If the transaction is a distance contract within the meaning of section 312b of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*), revocation is excluded for the purchase of financial services whose price is subject to fluctuation on the financial market (section 312d (4) no. 6 BGB).

The deadline will be deemed to have been met if the revocation notice was sent in a timely manner. Notice of revocation must be sent in writing, specifying the individual wishing to exercise his/her right of revocation and bearing his/her signature, to the management of the Management Company, Assenagon Asset Management S.A., Aerogolf Center, 1B Heienhaff, L-1736 Senningerberg. No grounds have to be stated.

The revocation period shall not commence until the buyer has been provided with a copy of the offer to contract, or has received a contract note, providing him/her with information on the right of revocation similar to that contained herein.

In the event of dispute as regards the commencement of the revocation period, the burden of proof shall be on the seller.

The buyer will have no right of revocation if the seller can prove either that the buyer acquired the units within the scope of his trade or business, or that the seller visited the buyer at the buyer's prior request for the purpose of the negotiations which resulted in the sale of the units (section 55 (1) of the German Trade Code [*Gewerbeordnung - GewO*]).

If the sale has been revoked and the buyer has already made payments, the foreign management company is obliged to pay to the purchaser, if applicable upon retransfer of the units acquired, the expenses paid plus an amount equivalent to the value of the units for which payment has been made on the day after receipt of the revocation notice.

The right of revocation may not be waived.

Additional information for Austrian investors

The following information is aimed at potential investors in **Assenagon Credit** in the Republic of Austria:

Credit institution within the meaning of section 41 (1) in conjunction with section 176 (1) of the Austrian Investment Fund Act 2011 (Investmentfondsgesetz – InvFG 2011)

Erste Bank der oesterreichischen Sparkassen AG
Graben 21, A-1010 Vienna
Tel. +43 50100-12139
Fax +43 50100-9 12139

The aforementioned credit institution has confirmed that it meets the requirements set out in section 40 (1) in conjunction with section 41 (1) InvFG 2011.

Information agent

The Prospectus, the client information document in accordance with sections 134 et seq of the Austrian Investment Funds Act 2011 (*Investmentfondsgesetz – InvFG 2011*), the General Fund Rules, the current annual report and, if published since, also the latest interim report as well as notices to unitholders are available from Erste Bank der oesterreichischen Sparkassen AG, Graben 21, A-1010 Vienna, tel. +43 (0) 50100 12139, fax 0043 (0) 50100 9 12139.

Publication of the net asset value/notices to unitholders

Assenagon Credit's net asset value can be requested from the Management Company. The sub-funds' net asset values are published daily in the *Wiener Zeitung* newspaper in Austria and can be accessed on the Management Company's website at www.assenagon.com. Notices to unitholders are published in the *Wiener Zeitung*.

Publication agent

The respective Net Asset Values of the sub-funds, as well as all other notices to investors, will be published in the "Wiener Zeitung" newspaper.

Control

Assenagon Credit has no information leading to the assumption that individual investors or other individuals/companies could exert control over **Assenagon Credit**, be it directly or indirectly.

Taxation

The Austrian Budget Accompanying Act 2011 (*Budgetbegleitgesetz – BBG 2011*), Tax Code Amendment Act 2011 (*Abgabenänderungsgesetz – AbgÄG 2011*) and Investments Funds Act 2011 (*Investmentfondsgesetz – InvFG 2011*) entail extensive changes to the taxation of investment funds, which take effect on 1 April 2012. More specifics about the changes to the taxation of funds are expected by the end of 2011 in the form of a regulation by the Austrian Federal Ministry of Finance.

The following information provides merely a general overview of the principles governing Austrian taxation of income from investments funds for persons with

unlimited tax liability in Austria. The information does not address any particular circumstances relating to individual cases. **In connection with the changes in taxation, investors are advised that the time of purchase and sale of the fund units is decisive for the legislation applicable in each case.** Unitholders are therefore recommended to contact their tax advisor regarding the taxation of their units.

Significant changes to fund taxation as a result of the Budget Accompanying Act 2011, the Tax Code Amendment Act 2011 and the Investment Funds Act 2011

Previously, increases in value realised through the sale of capital assets which were held by a natural person as private assets were only subject to tax under certain conditions (e.g. if the sale was a speculative transaction in accordance with section 30 of the Income Tax Law (*Einkommensteuergesetz – EStG*) or if the holding sold amounted to at least 1% (section 31 EStG)). In future, however, increases in value realised from the sale of capital assets will always be taxable at 25% for natural persons, irrespective of how long the investment was held before sale (section 27 (3) and (4) EStG).

The 25% tax on realised increases in value is to be withheld by the domestic institution maintaining the securities account or the paying agent. If there is no domestic paying agent or institution maintaining the securities account, the realised increases in value are to be assessed. Realised losses can only be claimed by way of the assessment. Due to the changes in the taxation of realised increases in value, the taxation of units in investment funds will also be extensively reformed.

1. General information

Investment funds are transparent pursuant to Austrian tax law. This means that fund income is taxed not at the level of the Fund, but at investor level.

As a general rule, Austrian tax law regards all of the interest, dividends and other income generated by the Fund after deductions for the costs incurred by the fund ("income"), as well as certain parts of the realised capital gains, as taxable income, irrespective of whether they are distributed to investors or reinvested by the Fund ("distribution-equivalent income").

2. Current legislation

2.1. Private investors

For private investors income from the Fund is subject to tax as follows: interest dividends¹ and other income, minus all of the costs incurred by the Fund, as well as 20% of the realised capital gains from the disposal of shares and associated derivative instruments, are subject to tax at a rate of 25%. Realised capital gains from the disposal of bonds and associated derivative instruments are tax-free for private investors. If withholding tax was deducted from distributions made to the Fund, this can be credited for the purposes of the Austrian investment income tax ("KESt") in an amount corresponding to 15% of the income.

2.1.1 Reporting funds

The following taxation applies to reporting funds² ("brighter than white funds" – in Austria "*blütenweisse Fonds*"):

The Austrian custodian bank is obligated to withhold 25% KESt on the taxable portions of distributions and on distribution-equivalent income. For private investors, this withheld KESt has a discharging effect for income tax purposes, meaning that private investors do not need to include the fund income in their income tax returns.

If fund units are held in custody abroad, the distributions and distribution-equivalent income of the Fund must be included in the investor's income tax return and will be taxed at the special tax rate of 25%.

As a rule, the distribution-equivalent income generated by a fund will be deemed received by the private investor four months after the end of the fund financial year in which such income was generated.

For income from investment funds, private investors may also choose the lower individual tax rate (assessment option). However, such an option can only be selected for investment income as a whole, i.e. all income subject to final taxation and to the special tax rate.

Taxation of income in the current financial year in the event of purchase or sale

When purchasing units in a reporting fund, a private investor with an Austrian safe custody account will receive a KESt tax credit for the net interest income generated since the beginning of the fund's financial year. In return, at the time of sale, KESt will only be deducted from the investor's net interest income generated since the beginning of the fund's financial year.

1 Foreign funds that report investment income tax (Kapitalertragsteuer - KESt) on net interest income on a daily basis, the investment income tax on the taxable income components contained in distributions at regular intervals, and the investment income tax on distribution-equivalent income generated by the fund, as calculated by a tax representative, once a year to *Oesterreichische Kontrollbank*, are deemed subject to withholding tax with a discharging effect for private investors. This means that private investors do not have to include income from such funds in their tax return.

2 The Fund reports net interest income to the *Oesterreichische Kontrollbank* on a daily basis, taxable income components from distributions on a periodic basis, and the Fund's distribution-equivalent income as calculated by the tax representative on an annual basis. The KESt deduction was carried out by the investor's custodian bank in Austria on the basis of this information.

This approach ensures that the investor is only taxed on the interest income generated in the period of the investment.

Safeguard tax

No safeguard tax is withheld by the Austrian custodian bank at year end for reporting funds – in contrast to non-reporting funds.

2.1.2 Non-reporting funds

The following taxation applies to non-reporting funds³:

The Austrian custodian bank is obligated to withhold 25% KESt on distributions received. In principle, this withheld KESt has a discharging effect for foreign funds also. Distributions that have already been reported as distribution-equivalent income for tax purposes will remain tax-free. The distribution-equivalent income substantiated by the Austrian tax representative must be included in the investor's tax return and will be taxed at a special rate of 25% ("white" funds). If the distribution-equivalent income is not substantiated by the tax representative, the fund units are subject to lump-sum taxation ("black" funds).

If fund units are held in custody abroad, the distributions and the distribution-equivalent income must be included in the investor's income tax return and will be taxed at the special tax rate of 25%.

As a rule, the distribution-equivalent income generated by a fund will be deemed received by the private investor four months after the end of the fund financial year in which such income was generated.

For income from investment funds, private investors may also choose the lower individual tax rate (assessment option). However, such an option can only be selected for investment income as a whole, i.e. all income subject to final taxation and to the special tax rate.

Taxation of income in the current financial year in the event of purchase or sale

If fund units in non-reporting and "black" funds are sold during the year, all distributions made between 1 January and the date of the sale/redemption are taxable in full. In addition, the higher of the following two amounts will be taxed at a rate of 25%:

- the difference between the redemption price set when the fund units were sold and the last redemption price set in the previous calendar year or
- 0.8% of the redemption price set when the fund units were sold for each month, or part thereof, of the current fund financial year (or of the calendar year for "black" funds).

Alternatively, investors can also use the total distribution-equivalent income generated in the fund financial year as a basis for taxation, or calculate the exact distribution-

3 The Fund does not report net interest income to the *Oesterreichische Kontrollbank* on a daily basis, taxable income components from distributions on a periodic basis, or the Fund's distribution-equivalent income as calculated by the tax representative on an annual basis.

equivalent income generated from the start of the fund financial year until sale of the fund units.

In the event of unit purchase during the year, the principles that apply to sales are to be applied *mutatis mutandis*.

Safeguard tax

Domestic credit institutions that hold foreign (non-reporting) funds in a securities account of a private investor must withhold safeguard tax (*Sicherungssteuer*) at a rate of 1.5% (0.125% per month, or parts thereof, in the event of a sale or transfer to a foreign securities account) of the redemption value at the end of the year. The safeguard tax can be avoided by disclosing the fund units to the competent tax authorities. The safeguard tax represents a prepayment against income tax.

Taxation of speculative transactions

If an investor sells fund units again within the one-year speculation period, any resulting speculative gains also have to be declared in the investor's tax return and taxed at his/her personal tax rate. Distribution-equivalent income which has already been taxed reduces speculative gains. Speculative gains can only be offset against speculative losses incurred in the same calendar year. Speculative losses cannot be carried forward to subsequent years.

2.2 Natural person – business assets

If the fund units are held as business property by natural persons (sole proprietorships, partnerships), the income (interest, dividends and other income, minus costs) is subject to taxation at a rate of 25%, as for private investors. However the total realised capital gains (from the sale of both shares and bonds) are subject to tax at the income tax rate and are therefore to be declared in the income tax return of the natural person holding the units as business property anyway. If KEST is withheld on realised capital gains, this can be offset against the investor's income tax.

2.3 Legal person – business assets

All income and all realised capital gains generated by the Fund are subject to corporation tax at a rate of 25%. The income must be included in the corporation's corporation tax return. In order to prevent double taxation in the event of a sale, the distribution-equivalent income that has to be taxed on an annual basis treated as acquisition costs. This reduces the taxable proceeds from the sale at the time of the sale by those income components that have already been taxed in previous years.

Legal persons have the option of avoiding the deduction of investment income tax (KESt) by submitting an exemption declaration (*Befreiungserklärung*) to the Austrian custodian bank. If no exemption declaration is submitted, the investment income tax deducted will be credited for corporation tax purposes.

Business investors are deemed to have received the distribution-equivalent income at the end of the fund financial year.

When fund units are sold – irrespective of the holding period – the difference between the purchase and sale price, minus distribution-equivalent income which has already been taxed, is subject to the 25% corporate income tax and must be declared in the legal person's corporate tax return.

3. New legislation (from 1 April 2012)

The following changes to the taxation of investment funds apply from 1 April 2012.

The investment fund itself continues not to be a taxable entity with regard to the income generated in the Fund. Income from investment funds therefore continues to be taxed at unitholder level in accordance with the transparency principle.

Instead of the three current categories of foreign funds ("black", "white" and "brighter than white" funds) there will in future only be two tax categories:

- Foreign funds that have appointed a tax representative to report the amount of tax on distributions and distribution-equivalent income to the Oesterreichische Kontrollbank Aktiengesellschaft (OeKB) and
- foreign funds which have not appointed a tax representative and are therefore subject to lump-sum taxation.

3.1 Private investors

3.1.1 Taxation of distribution-equivalent income

Income accumulated in the Fund continues to be taxable annually, as distribution-equivalent income. For private investors, this is always subject to KESt at a rate of 25% (if the agent paying the coupons is located in Austria) or is to be assessed and taxed at the 25% special tax rate.

The taxable distribution-equivalent income consists of

- the Fund's ordinary income (interest, dividends, other income) minus its expenses and
- 60% of the realised capital gains from the sale of capital assets and the income from derivatives (the tax base will be raised incrementally until 2014 from currently 20% of realised capital gains from shares and associated derivatives to 60% of total realised capital gains – see table).

Realised capital gains from shares and associated derivatives

Start of the fund financial year	prior to 1.7.2011	from 1.7.2011	from 1.7.2012	from 1.7.2013	from 1.7.2014
	20%	30%	40%	50%	60%

Realised capital gains from bonds and associated derivatives

Start of the fund financial year	prior to 1.7.2011	from 1.7.2011	from 1.7.2012	from 1.7.2013	from 1.7.2014
	tax free	tax free	tax free	50%	60%

If the capital losses realised in the Fund exceed the capital gains realised, the resulting loss is to be offset against the Fund's income. If such netting is not possible, it can be offset against the Fund's income in subsequent years.

3.1.2 Taxation of distributions

Distributed ordinary income and 100% of distributed realised capital gains are subject to KEST at a rate of 25%, which is withheld by the Austrian custodian bank. If the units are held in a foreign securities account, the distribution must be declared in the investor's personal income tax return and is subject to the 25% special tax rate.

3.1.3 Sale of fund units by the investor

If a natural person sells a fund unit held as private property, the domestic custodian bank or paying agent withholds 25% KEST on the capital gains irrespective of the holding period. The capital gain is the difference between sales proceeds and acquisition costs; the front load may not be taken into account as an ancillary acquisition cost. To avoid double taxation of the capital gain, the distribution-equivalent income taxed annually increases the acquisition costs of the fund unit.

Only fund units acquired after 31 December 2010 and sold after 31 March 2012 are affected by the taxation of capital gains at 25%. Gains from the sale of fund units acquired before 1 January 2011 are tax free. Fund units acquired after 31 December 2010 and sold before 1 April 2012 are subject to taxation at the investor's income tax rate and must be declared in the investor's personal income tax return.

3.1.4 Proof of taxable income

Tax on the distribution and on the distribution-equivalent income is to be substantiated by an Austrian tax representative and reported to the OeKB by such tax representative. If there is no tax representative report to the OeKB, the distribution-equivalent income is subject to lump-sum taxation.

3.1.5 Abolition of daily reporting for domestic funds and "brighter than white" (blütenweisse) foreign funds

As the difference between sales proceeds and (amortised) cost will in future be taxable when selling fund units, the requirement to report the KEST on the net interest income to the OeKB daily will be abolished from 1 April 2012. In future, the distribution-equivalent income, which is taxed once a year, and the distributions will be reported to the OeKB by a tax representative.

3.1.6 Safeguard tax

As the new fund taxation regime will mean that not only domestic and "brighter than white" funds, but all funds will be subject to the KEST regime (if the units are held in a domestic securities account), the safeguard tax will not apply from 1 April 2012.

3.2 Natural persons – business property

For natural persons who hold fund units as business property, the changes for private investors explained above apply with the following exceptions:

- Realised increases in value in the business property of a natural person are also subject to KEST deduction, but have no discharging effect. Business investors thus have to assess the realised increase in value and tax it at the 25% tax rate. KEST which has already been withheld is credited against income tax.
- 100% of the realised capital gains accumulated in the Fund are to be taxed at 25%.
- Ancillary acquisition costs such as front loads may be taken into account as operational expenses and in this way reduce the taxable realised increase in value.
- Any assertion of ancillary acquisition costs has to be made within the assessment.

Legal persons

There are no changes in the taxation of income from investment funds for legal persons.

Domestic tax representative within the meaning of section 186 (2) no. 2 in conjunction with section 188 InvFG 2011

PwC PricewaterhouseCoopers

Wirtschaftsprüfung und Steuerberatung GmbH

Erdbergstrasse 200

1030 Vienna

has assumed the function of tax representative in Austria for the Management Company within the meaning of section 186 (2) no. 2 in conjunction with section 188 InvFG 2011.

Additional information

The performance of the sub-funds since launch is set out in the corresponding annual reports of **Assenagon Credit** for the financial years in question, which can be inspected on the premises of the domestic representative within the meaning of section 186 (2) no. 2 in conjunction with section 188 InvFG 2011.

The redemption prices for the units in the Assenagon Credit sub-funds are published in the *Wiener Zeitung* on every banking day in Vienna.

The distribution of units in Assenagon Credit has been notified to the Austrian Financial Market Authority (*Finanzmarktaufsicht Österreich*) pursuant to section 140 (1) InvFG 2011.

The German wording of the Prospectus, as well as the other documents and publications, will prevail for distribution within the Republic of Austria.

The German wording of the Prospectus, as well as the other documents and publications, will prevail for distribution within the Republic of Austria.

The Management Company can issue units in new, additional sub-funds at any time. This Prospectus will be supplemented accordingly in each case.

Units can be redeemed at the price described under "Redemption of units".

Units can be converted based on the provisions set out under "Conversion of units".

Subscriptions will only be accepted on the basis of the valid Prospectus in conjunction with (i) the most recent audited annual report of the Company or (ii) the most recent interim report if it was published after the annual report.

This Prospectus does not constitute an offer or a form of advertising in those jurisdictions in which such an offer or such advertising is prohibited, or in which persons who make such an offer or advertisement are not authorised to do so, or in those jurisdictions in which it is illegal to receive such an offer or advertisement.

The information set out in this Prospectus is in line with the current legislation and standard procedures of the Grand Duchy of Luxembourg, and is therefore subject to change.

Potential buyers of units are required to seek information on the foreign currency regulations that apply to them, as well as on the legal and tax provisions that apply in their case.

Notice pursuant to section 3 of the Consumer Protection Act (Konsumentenschutzgesetz – KSchG)

1. If consumers have made a declaration to enter into an agreement regarding units in this investment fund in a location that was neither the permanent business premises of the company, nor a stand used by the latter for this purposes at a trade fair or market, consumers have a right of revocation.
2. This revocation can be declared in the period until the agreement comes into force, or up to one week

thereafter. The relevant period will commence when this Prospectus is delivered.

3. Notice of revocation must be made in writing to be legally valid. It will suffice for the consumer to return a document containing either his/her, or the company's, declaration to enter into the agreement, to the company or its agent who was involved in the agreement negotiations, including a note that makes it clear that the consumer rejects the coming into force, or the maintenance, of the agreement. The deadline will be deemed to have been met if the revocation notice was dispatched in a timely manner.
4. Pursuant to section 12 of the Austrian Securities Supervision Act (*Wertpapieraufsichtsgesetz – WAG*), the right of revocation pursuant to section 3 KSchG also applies to the purchase of units in investment funds if the consumer initiated the business contact with the company or its agent him/herself for the purpose of concluding the agreement.

The following sub-funds are authorised for public distribution in Austria:

Assenagon Credit Basis with the following classes:

- Assenagon Credit Basis (G)
- Assenagon Credit Basis (I)

Assenagon Credit Basis II with the following classes:

- Assenagon Credit Basis II (I)
- Assenagon Credit Basis II (P)

Assenagon Credit – Debt Capital with the following classes:

- Assenagon Credit – Debt Capital (I)
- Assenagon Credit – Debt Capital (P)

Disclaimer

Investors are reminded that the tax information was prepared on the basis of the legislation valid in October 2011, and that subsequent amendments to the legislation, as well as to its interpretation, may affect the accuracy of this information.

Prospectus – Special section

Annex 1

Annex 1.1

Assenagon Credit Basis Sub-Fund

This Annex is only valid in conjunction with the current Prospectus.

A) Investment policy

Investment objective

The sub-fund aims, after fees, to considerably outperform the 3 Month Euribor. The 3 Month Euribor (Euro Interbank Offered Rate) is the rate at which Euro Interbank Term deposits are being offered by one prime bank to another. The aim is to achieve a return that exceeds the 3 Month Euribor by exploiting price differences between economical equivalent financial instruments (so called arbitrage).

The sub-fund will make itself largely immune to interest rate risks by employing interest rate derivatives in order to largely avoid major fluctuations in value. The default risks of individual issuers will be largely hedged with credit derivatives.

Investment strategy

The sub-fund investment strategy is based on price differences between bonds (issued by banks and non-banks) and credit default swaps (CDS) on identical reference entities. Reference entities are companies or other legal entities that have entered into loan agreements or issued securities in specific transactions. A CDS allows a protection buyer to hedge itself against certain risks associated with a credit exposure for a fixed period of time in return for payment of a periodic premium, calculated on the basis of the nominal amount, for the assumption of the credit risk to a protection seller. The premium is generally based on the quality of the underlying reference entity or entities. The risks that are transferred with the CDS are defined in advance as "credit events": Typical credit events include, for example, a specific deterioration in the financial situation of a reference entity which means that it fails to make payments when due. As long as no credit event occurs, the protection seller does not have to pay. If a credit event occurs, the protection seller makes a compensation payment which depends on the recovery rate of the reference entity. CDS can be traded on and off exchange.

As part of the investment strategy, the sub-fund invests in CDS and bonds of various issuers (or reference entities) at the same time in order to exploit price differences (spread differences) between derivative instruments and cash instruments. This largely minimises credit risks triggered by individual reference entities or issuers (idiosyncratic risks). The sub-fund can enter into CDS as either the protection seller or the protection buyer.

The Fund can enter into repurchase agreements (repos) in order to boost its return. The cash received as a result can be reinvested within the framework of the investment strategy.

The sub-fund positions are maturity-matched, ensuring ongoing hedging against potential reference entity/bond issuer defaults irrespective of price performance. In order to hedge against the additional interest rate risks associated with bonds, exchange-traded interest rate derivatives are used. The Fund's average duration is kept under six months.

Potential currency risks relating to bonds or credit derivatives that are not denominated in Euros are also largely hedged. Currency swaps or currency forwards are generally used for this purpose.

In individual cases, an index swap can also be used, as opposed to a single-name CDS, to hedge a security. In order to hedge risks on the credit market, index swaps (e.g. index swaps on the iTraxx) can be concluded.

The sub-fund does not invest in synthetic or structured credit instruments such as collateralised debt obligations (CDOs) or asset backed securities (ABS).

The performance of the sub-fund depends, in addition to fees and expenses (e.g. for pledging collateral and/or for any currency hedging that may be required), in particular on the development of price differences between cash and derivatives markets for the securities selected. The development of these price differences offers the sub-fund opportunities, but is also associated with risks.

In particular, the following instruments are to be purchased/concluded:

- Credit default swaps (CDS) on reference entities of various different rating classes in the G7 currencies (USD, JPY, EUR, GBP, CHF, CAD and AUD). The sub-fund can enter into CDS contracts as either the protection seller or the protection buyer.
- Index swaps, e.g. on the basis of synthetic credit indices (iTraxx, CDX, etc.) in the G7 currencies. The sub-fund can enter into index swaps as either the protection seller or the protection buyer.
- Interest-bearing securities
 - Bonds issued by financial institutions: Various levels of seniority (senior and subordinated bonds) in the G7 currencies.
 - Corporate bonds: Various levels of seniority (senior and subordinated bonds) in the G7 currencies.
- In the case of bonds or credit derivatives denominated in a currency other than the sub-fund currency, the currency risk can be hedged.

- Interest rate swaps: The underlying interest rate risk (duration risk) can be hedged by interest rate derivatives (options and futures). In the case of swaps denominated in a currency other than the sub-fund currency, the currency risk can be hedged.
- Repurchase agreements (repos)
- Money market funds

Derivatives transactions generally result in counterparty risk. The sub-fund aims to largely minimise the counterparty risk by accepting only counterparties with a good credit rating. Furthermore, the sub-fund can demand collateral from counterparties where it deems this necessary.

Within the sub-fund, derivatives can be used for both hedging and investment purposes.

Cash settlement or physical settlement may be used for the swaps in the sub-fund portfolio.

The sub-fund is only permitted to purchase shares/units in other UCITS and other UCI up to a total of 10% of the net fund assets.

In order to achieve the investment objective, the sub-fund can act as a lender and a borrower of securities subject to the requirements set out in Article 5 of the General Fund Rules.

Based on the principle of risk diversification, the Management Company can invest up to 100% of the Net Sub-Fund Assets in securities, from various different issues, that are issued or guaranteed by an EU member state or its political sub-divisions, or by a member state of the OECD or by public international bodies of which one or more member states of the European Union are members, or by other states recognised by the CSSF (e.g. Brazil, Singapore, Russia, Indonesia and South Africa), provided that these securities were issued as part of at least six different issues and no more than 30% of the Net Sub-Fund Assets are invested in securities from the same issue.

The actual fulfilment of investment objectives cannot be guaranteed.

B) Sub-fund risk profile

The sub-fund pursues a growth-oriented investment strategy that is aimed at attractive performance. Medium opportunities are offset by medium risks.

C) Investor risk profile

The sub-fund is particularly well-suited to investors who expect moderate growth/income and are therefore prepared to bear potential losses. Investors should invest for a period of at least one to two years.

Overview of Assenagon Credit Basis (I)

Reference currency	EUR	
Investor profile	Limited risk tolerance	
Unit classes	Institutional (I)	
Use of income	Distribution	
ISIN	LU0418282934	
German securities identification number (WKN)	A0RGZ9	
Subscription period	Not applicable	
Initial issue date/launch date	22.04.2009	
Initial issue price	EUR 1,000	
First calculation of Net Asset Value	22.04.2009 (= initial issue date)	
Minimum net fund volume	EUR 20,000,000	
(Initial) issue price due	2 banking days after the initial issue date/relevant Valuation Date	
Redemption price due	2 banking days after the Valuation Date	
Orders accepted	Until 2.30 p.m. (CET)	Subscription, redemption and conversion orders that are received by the centralising agent by 2.30 p.m. CET on a Valuation Date will be settled at the unit value on the next Valuation Date. Orders received after 2.30 p.m. CET will be settled at the unit value on the Valuation Date after the next Valuation Date. All orders will be settled at the unknown Net Asset Value.
Front load (to be borne by the unitholder)	Not applicable	Not applicable
Redemption fee (to be borne by the unitholder)	As of launch 1% as of 1 July 2010: 0.5% as of 1 July 2011: 0.25% as of 1 July 2012: not applicable	
Minimum initial investment*	EUR 1,000,000	
Minimum subsequent investment*	None	
Conversion fee	None	
Unit value calculation	On every banking day in Frankfurt am Main and Luxembourg	
Management fee	0.6% p.a. No performance fee will be charged over and above this.	This fee will be calculated and accrued on a daily basis and paid out on the last day of the month based on the average monthly sub-fund assets. The fee does not include any VAT.
Custodian bank, transfer agent, centralising agent and paying agent fee	Up to 0.1% p.a., but at least EUR 50,000	This fee will be accrued on a daily basis and will be calculated and paid out on the last day of the month based on the average sub-fund assets. The fee does not include any VAT.
Other cost	Other costs within the meaning of Article 13 of the General Fund Rules can be charged to the sub-fund assets as actually incurred.	
Guarantee	No	
Fund term	Unlimited	
Listing	No	
Savings plan	None	
Units	Bearer units	The units shall be represented by global certificates. Unitholders do not have any right to the delivery of physical securities.
Fund manager	Assenagon Credit Management GmbH	
Taxe d'abonnement	0.01% p.a.	The <i>taxe d'abonnement</i> is payable quarterly on the Net Sub-Fund Assets reported at the end of each quarter.
Risk management procedure	Absolute VaR approach	– Historical simulation – Daily calculation – 1 month holding period – 99% confidence interval
Anticipated leverage	Due to the Fund's investment strategy, it is expected that the leverage from the use of derivatives will not amount to more than 0.35 times the fund assets.	
Method for determining leverage	Commitment approach	

* The Management Company reserves the right to deviate from the minimum initial and/or minimum subsequent investment amounts where this is justified in individual cases. Furthermore, the distribution agents and/or the Management Company can deviate from the maximum front load and opt to charge lower front loads.

Overview of Assenagon Credit Basis (G)

Reference currency	EUR	
Investor profile	Limited risk tolerance	
Unit classes	Private clients in the premium segment (G)	
Use of income	Distribution	
ISIN	LU0418282348	
German securities identification number (WKN)	A0RGZ8	
Subscription period	Not applicable	
Initial issue date/launch date	22.04.2009	
Initial issue price	EUR 1,000	
First calculation of Net Asset Value	22.04.2009 (= initial issue date)	
Minimum net fund volume	EUR 20,000,000	
(Initial) issue price due	2 banking days after the initial issue date/relevant Valuation Date	
Redemption price due	2 banking days after the Valuation Date	
Orders accepted	Until 2.30 p.m. (CET)	Subscription, redemption and conversion orders that are received by the centralising agent by 2.30 p.m. CET on a Valuation Date will be settled at the unit value on the next Valuation Date. Orders received after 2.30 p.m. CET will be settled at the unit value on the Valuation Date after the next Valuation Date. All orders will be settled at the unknown Net Asset Value.
Front load (to be borne by the unitholder)	Up to 2.0 %	Currently 2.0 %
Redemption fee (to be borne by the unitholder)	As of launch 1% as of 1.07.2010: 0.5% as of 1.07.2011: 0.25% as of 1.07.2012: Not applicable	
Minimum initial investment*	EUR 50,000	
Minimum subsequent investment*	None	
Conversion fee	None	
Unit value calculation	On every banking day in Frankfurt am Main and Luxembourg	
Management fee	1.1% p.a. No performance fee will be charged over and above this.	This fee will be calculated and accrued on a daily basis and paid out on the last day of the month based on the average monthly sub-fund assets. The fee does not include any VAT.
Custodian bank, transfer agent, centralising agent and paying agent fee	Up to 0.1% p.a., but at least EUR 50,000	This fee will be accrued on a daily basis and will be calculated and paid out on the last day of the month based on the average sub-fund assets. The fee does not include any VAT.
Other costs	Other costs within the meaning of Article 13 of the General Fund Rules can be charged to the sub-fund assets as actually incurred.	
Guarantee	No	
Fund term	Unlimited	
Listing	Yes (Berlin, Munich stock exchanges)	
Savings plan	None	
Units	Bearer units	The units shall be represented by global certificates. Unitholders do not have any right to the delivery of physical securities.
Fund manager	Assenagon Credit Management GmbH	
Taxe d'abonnement	0.05% p.a.	The <i>taxe d'abonnement</i> is payable quarterly on the Net Sub-Fund Assets reported at the end of each quarter.
Risk management procedure	Absolute VaR approach	<ul style="list-style-type: none"> – Historical simulation – Daily calculation – 1 month holding period – 99% confidence interval
Anticipated leverage	Due to the Fund's investment strategy, it is expected that the leverage from the use of derivatives will not amount to more than 0.35 times the fund assets.	
Method for determining leverage	Commitment approach	

* The Management Company reserves the right to deviate from the minimum initial and/or minimum subsequent investment amounts where this is justified in individual cases. Furthermore, the distribution agents and/or the Management Company can deviate from the maximum front load and opt to charge lower front loads.

Annex 1.2

Assenagon Credit Basis II Sub-Fund

This Annex is only valid in conjunction with the current Prospectus.

A) Investment policy

Investment objective

The sub-fund aims, after fees, to considerably outperform the 3 Month Euribor. The 3 Month Euribor (Euro Interbank Offered Rate) is the rate at which Euro Interbank Term deposits are being offered by one prime bank to another. The aim is to achieve a return that exceeds the 3 Month Euribor by exploiting price differences between similar financial instruments (arbitrage).

Investment strategy

The investment strategy of the sub-fund is based on exploiting price differences between various instruments (e.g. bonds, convertible bonds, structured and hybrid bonds, bonds that replicate loan performance on a 1:1 basis, asset-backed securities) of a reference entity or a special purpose vehicle on the one hand, and credit default swaps (CDS) on the same reference entities on the other.

Reference entities are countries, companies or other legal entities (e.g. special purpose vehicles) that have entered into loan agreements or issued securities in specific transactions.

Bonds, as well as structured bonds and hybrid bonds, are bonds issued by financial institutions or companies that have a fixed or variable return and term.

Convertible bonds are bonds that also give the buyer the right to convert the bond into a pre-defined number of shares in the reference entity that issued the bond within a certain period. This means that convertible bonds have both an interest and an equity component (hybrid structure).

Asset-backed securities (ABS) are interest-bearing securities based on payment claims against a special purpose vehicle (securitisation company). The special purpose vehicle uses the funds exclusively to purchase receivables of usually more than one creditor and securitises them. The payment claims are backed by the receivables (assets) transferred to the special purpose vehicle. In addition, these receivables can be backed by the collateral pledged in each case, which is held via a trustee in favour of the holder of the ABS.

The Management Company can also invest in bonds that replicate loan performance on a 1:1 basis. (loans, syndicated loans and bank loans).

A CDS allows a protection buyer to hedge itself against certain risks associated with a credit exposure for a fixed period of time in return for payment of a periodic premium, calculated on the basis of the nominal amount, for the assumption of the credit risk to a protection seller. The premium is generally based on the quality of the underlying reference entity or entities. The risks that are transferred with the CDS are defined in advance as

"credit events": Typical credit events include, for example, a specific deterioration in the financial situation of a reference entity which means that it fails to make payments when due. As long as no credit event occurs, the protection seller does not have to pay. If a credit event occurs, the protection seller makes a compensation payment which depends on the recovery rate of the reference entity.

Within the sub-fund, credit default swaps can be used for both hedging and investment purposes.

As part of the investment strategy, the sub-fund invests in bonds, convertible bonds, ABS, bonds that replicate loan performance on a 1:1 basis, and concludes CDS contracts on the respective reference entities in order to exploit price differences (spread differences). This largely minimises credit risks triggered by individual reference entities or issuers (idiosyncratic risks).

The structure of convertible bonds, structured bonds and hybrid bond results in potential equity, interest rate, volatility and currency risks. Since the investment strategy is based purely on the exploitation of spread differences, the sub-fund largely hedges these risk factors with the help of derivative instruments.

The Fund can enter into repurchase agreements (repos) in order to boost its return. The cash received as a result can be reinvested within the framework of the investment strategy.

The fund management team aims to structure the sub-fund's positions in such a way as to ensure ongoing hedging against potential bond issuer/special purpose vehicle defaults irrespective of price performance.

In order to hedge against the additional interest rate risks associated with bonds, OTC and exchange-traded interest rate derivatives are used. The aim is to keep the average duration of the Fund under six months.

Currency risks associated with instruments that are not denominated in Euros are largely hedged. Currency swaps or currency forwards are generally used for this purpose.

In order to hedge risks on the credit market, index swaps (e.g. index swaps on the iTraxx) can also be concluded in individual cases in addition to single-name CDS.

In particular, the following instruments are to be purchased/concluded in various currencies:

- Interest-bearing securities
 - Bonds issued by financial institutions (senior and subordinated bonds)
 - Corporate bonds (senior and subordinated bonds)
 - Convertible bonds of various issuers
 - Hybrid bonds
 - Government bonds
 - Structured bonds
 - Asset-backed securities (ABS)
- Bonds that replicate loan performance on a 1:1 basis

- Equity derivatives (exchange-traded and OTC)
- Derivates to manage volatility risks
- Credit default swaps (CDS) on reference entities (sovereigns/corporates/banks) of various different rating classes
- Index swaps, e.g. based on recognised financial indices (iTraxx, CDX, etc.). The sub-fund can enter into index swaps as either the protection seller or the protection buyer
- Currency hedging transactions
- Interest rate swaps: hedging of the interest rate risk (duration risk) by way of interest rate derivatives (options and futures)
- Total return swaps
- Repurchase agreements (repos)
- Money market investments

The negative basis for ABS investments will be generated by purchasing a specific ABS transaction (tranche) and, at the same time, executing a hedging transaction via CDS that exactly references the purchased tranche. In this respect, use will be made of the entire range of outstanding ABS transactions on which CDS are tradable. These are based on residential mortgage loans (residential mortgage backed securities or "RMBS"), on commercial mortgage loans (commercial mortgage backed securities or "CMBS"), on credit card portfolios, on corporate loan portfolios and on car leasing agreements or car purchase financing agreements. New investments in ABS will have at least a B2/B rating from Moody's or Standard & Poor's, and will be adequately included and monitored by the Management Company's risk management system.

In order to achieve the investment objective, the sub-fund can make direct investments in the aforementioned instruments, or invest in one or more derivative instruments that reflect the abovementioned investment strategy or individual component instruments via their underlying. The aim of the derivative instruments is to transfer the performance of the abovementioned investment strategy or individual instruments to the sub-fund, as with a direct investment. If derivatives are used for this purpose, the sub-fund will only employ derivatives in accordance with the investment principles and restrictions set out in the General Fund Rules.

Furthermore, the Management Company can reduce the counterparty risks associated with OTC derivatives transactions by subjecting the parties to the OTC agreements to the obligation to furnish liquid collateral. Such collateral includes, in particular, cash, securities or

prime government bonds. A market value will be calculated for this collateral on a daily basis. The value of the collateral to be furnished must, at the very least, correspond to the value by which the limits of the investment principles and restrictions set out in the General Fund Rules are exceeded, where appropriate multiplied by a weighting factor. The collateral can be realised by the Management Company.

Within the framework of the investment restrictions set out in the General Fund Rules, the sub-fund can invest in other admissible assets, in particular in liquid assets, money market instruments, money market and quasi-money market funds.

Cash settlement or physical settlement may be used for the swaps in the sub-fund portfolio.

The sub-fund is only permitted to purchase shares/units in other UCITS and other UCI up to a total of 10% of the net fund assets.

In order to achieve the investment objective, the sub-fund can act as a lender and a borrower of securities subject to the requirements set out in Article 5 of the General Fund Rules.

Based on the principle of risk diversification, the Management Company can invest up to 100% of the Net Sub-Fund Assets in securities, from various different issues, that are issued or guaranteed by an EU member state or its political sub-divisions, or by a member state of the OECD or by public international bodies of which one or more member states of the European Union are members, provided that these securities were issued as part of at least six different issues and no more than 30% of the Net Sub-Fund Assets are invested in securities from the same issue.

The actual fulfilment of investment objectives cannot be guaranteed.

B) Sub-fund risk profile

The sub-fund pursues a growth-oriented investment strategy that is aimed at attractive performance. Medium opportunities are offset by medium risks.

C) Investor risk profile

The sub-fund is particularly well-suited to investors who expect moderate growth/income and are therefore prepared to bear potential losses. Investors should invest for a period of at least one to two years.

Overview of Assenagon Credit Basis II (I)

Reference currency	EUR	
Investor profile	Limited risk tolerance	
Unit classes	Institutional (I)	
Use of income	Distribution	
ISIN	LU0462885301	
German securities identification number (WKN)	A0YDMY	
Subscription period	Not applicable	
Initial issue date/launch date	11.01.2010	
Initial issue price	EUR 1,000	
First calculation of Net Asset Value	11.01.2010 (= initial issue date)	
Minimum net fund volume	EUR 20,000,000	
(Initial) issue price due	2 banking days after the initial issue date/relevant Valuation Date	
Redemption price due	2 banking days after the Valuation Date	
Orders accepted	Until 2.30 p.m. (CET)	Subscription, redemption and conversion orders that are received by the centralising agent by 2.30 p.m. CET on a Valuation Date will be settled at the unit value on the next Valuation Date. Orders received after 2.30 p.m. CET will be settled at the unit value on the Valuation Date after the next Valuation Date. All orders will be settled at the unknown Net Asset Value.
Front load (to be borne by the unitholder)	Not applicable	
Redemption fee (to be borne by the unitholder)	After launch 1%, as of 31.03.2011: 0.5% as of 31.03.2012: 0.25% as of 31.03.2013: Not applicable	
Minimum initial investment*	EUR 1,000,000	
Minimum subsequent investment*	None	
Conversion fee	None	
Unit value calculation	On every banking day in Frankfurt am Main and Luxembourg	
Management fee	0.8% p.a.	This fee will be calculated and accrued on a daily basis and paid out on the last day of the month based on the average monthly sub-fund assets. The fee does not include any VAT.
Performance fee	<p>The Management Company will receive a performance-related fee (performance fee) from the net fund assets corresponding to 15% of the outperformance over and above a hurdle index. The performance fee will be calculated on every Valuation Date and will be paid out at the end of the financial year. When the Fund is launched, the hurdle index corresponds to the initial issue price of the Fund, and develops, over the course of the financial year, on the basis of the 3 Month Euribor +2.00%, with corrections being made for distributions or withholding tax paid by the Fund per unit. The 3 Month Euribor (Euro Interbank Offered Rate) is the rate at which Euro Interbank Term deposits are being offered by one prime bank to another. The interest rate will be re-set in March, June, September and December of each year on what are known as the IMM dates**. The first interest rate will be calculated on the launch date as an interpolated Euribor rate for the period leading up to the next IMM date. The current rate and the next adjustment date will be published on Assenagon's website (www.assenagon.com). At the close of a financial year, the hurdle index will be adjusted, as at the end of the financial year, to correspond to the higher value of a) the hurdle index value calculated for the end of the financial year or b) the unit value following the payment of the performance fee for the previous financial year (high water mark). In order to prevent dilution effects in the case of unit redemptions, the performance fee for the redeemed units, if positive, will be accrued as an expense and paid out at the end of the year /In the event of subscriptions, any performance fee per unit calculated and accrued (excluding special items for redemptions and inflows) will be multiplied by the number of units added and credited to the Fund as a positive correction item. The performance fee equals the difference between the unit value (before the performance fee) and the hurdle index, multiplied by the number of units currently outstanding, plus the portion of the performance fee that has been accrued as an expense as a result of redemptions, less the correction items for inflows.</p> $PerfFee = \max\left(\left(\frac{NAV_{vor PerfFee; pro Anteil}}{HurdleIndex}\right) * Anteil * PF\% + PerfRückstellung_{Rückflüsse} - Korrekturposten_{Zuflüsse}; 0\right)$ <p>At the end of the financial year, and following payment of the performance fee calculated as set out above, the hurdle index will be adjusted as described above, and the accrual and correction items will be reset to zero, irrespective of whether a performance fee was paid out or not.</p>	

Custodian bank, transfer agent, centralising agent and paying agent fee	Up to 0.1% p.a., but at least EUR 50,000	This fee will be accrued on a daily basis and will be calculated and paid out on the last day of the month based on the average sub-fund assets. The fee does not include any VAT.
Other costs	Other costs within the meaning of Article 13 of the General Fund Rules can be charged to the sub-fund assets as actually incurred.	
Guarantee	No	
Fund term	Unlimited	
Listing	No	
Savings plan	None	
Units	Bearer units	The units shall be represented by global certificates. Unitholders do not have any right to the delivery of physical securities.
Fund manager	Assenagon Credit Management GmbH	
Taxe d'abonnement	0.01% p.a.	The taxe d'abonnement is payable quarterly on the Net Sub-Fund Assets reported at the end of each quarter.
Risk management procedure	Absolute VaR approach	<ul style="list-style-type: none"> – Historical simulation – Daily calculation – 1 month holding period – 99% confidence interval
Anticipated leverage	Due to the Fund's investment strategy, it is expected that the leverage from the use of derivatives will not amount to more than 0.35 times the fund assets.	
Method for determining leverage	Commitment approach	

* The Management Company reserves the right to deviate from the minimum initial and/or minimum subsequent investment amounts where this is justified in individual cases.

Furthermore, the distribution agents and/or the Management Company can deviate from the maximum front load and opt to charge lower front loads.

** IMM dates are the third Wednesday of every March, June, September and December allowing adjustments to reflect the regulations governing public holidays that define the interest rate periods on which the standardised Euribor contracts on various derivatives exchanges are based. The abbreviation IMM stands for "International Monetary Market".

Overview of Assenagon Credit Basis II (P)

Reference currency	EUR	
Investor profile	Limited risk tolerance	
Unit classes	Private clients (P)	
Use of income	Distribution	
ISIN	LU0462885483	
German securities identification number (WKN)	A0YDMZ	
Subscription period	Not applicable	
Initial issue date/launch date	11.01.2010	
Initial issue price	EUR 100	
First calculation of Net Asset Value	11.01.2010 (= initial issue date)	
Minimum net fund volume	EUR 20,000,000	
(Initial) issue price due	2 banking days after the initial issue date/relevant Valuation Date	
Redemption price due	2 banking days after the Valuation Date	
Orders accepted	Until 2.30 p.m. (CET)	Subscription, redemption and conversion orders that are received by the centralising agent by 2.30 p.m. CET on a Valuation Date will be settled at the unit value on the next Valuation Date. Orders received after 2.30 p.m. CET will be settled at the unit value on the Valuation Date after the next Valuation Date. All orders will be settled at the unknown Net Asset Value.
Front load (to be borne by the unitholder)	Up to 2.5 %	Currently 2.5%
Redemption fee (to be borne by the unitholder)	As of launch 1%, as of 31.03.2011: 0.5% as of 31.03.2012: 0.25% as of 31.03.2013: Not applicable	
Minimum initial investment*	None	
Minimum subsequent investment*	None	
Conversion fee	None	
Unit value calculation	On every banking day in Frankfurt am Main and Luxembourg	
Management fee	1.3% p.a.	This fee will be calculated and accrued on a daily basis and paid out on the last day of the month based on the average monthly sub-fund assets. The fee does not include any VAT.
Performance fee	<p>The Management Company will receive a performance-related fee (performance fee) from the net fund assets corresponding to 15% of the outperformance over and above a hurdle index. The performance fee will be calculated on every Valuation Date and will be paid out at the end of the financial year. When the Fund is launched, the hurdle index corresponds to the initial issue price of the Fund, and develops, over the course of the financial year, on the basis of the 3 Month Euribor +2.00%, with corrections being made for distributions or withholding tax paid by the Fund per unit. The 3 Month Euribor (Euro Interbank Offered Rate) is the rate at which euro interbank term deposits are being offered by one prime bank to another. The interest rate will be reset in March, June, September and December of each year on what are known as the IMM dates**. The first interest rate will be calculated on the launch date as an interpolated Euribor rate for the period leading up to the next IMM date. The current rate and the next adjustment date will be published on Assenagon's website (www.assenagon.com). At the close of a financial year, the hurdle index will be adjusted, as at the end of the financial year, to correspond to the higher value of a) the hurdle index value calculated for the end of the financial year or b) the unit value following the payment of the performance fee for the previous financial year (high water mark). In order to prevent dilution effects in the case of unit redemptions, the performance fee for the redeemed units, if positive, will be accrued as an expense and paid out at the end of the year /In the event of subscriptions, any performance fee per unit calculated and accrued (excluding special items for redemptions and inflows) will be multiplied by the number of units added and credited to the Fund as a positive correction item. The performance fee equals the difference between the unit value (before the performance fee) and the hurdle index, multiplied by the number of units currently outstanding, plus the portion of the performance fee that has been accrued as an expense as a result of redemptions, less the correction items for inflows.</p> $PerfFee = \max\left(\left(\frac{NAV_{vor PerfFee; pro Anteil}}{HurdleIndex}\right) * Anteil * PF\% + PerfRückstellung_{Rückflüsse} - Korrekturposten_{Zuflüsse}; 0\right)$ <p>At the end of the financial year, and following payment of the performance fee calculated as set out above, the hurdle index will be adjusted as described above, and the accrual and correction items will be reset to zero, irrespective of whether a performance fee was paid out or not.</p>	

Custodian bank, transfer agent, centralising agent and paying agent fee	Up to 0.1% p.a., but at least EUR 50,000	This fee will be accrued on a daily basis and will be calculated and paid out on the last day of the month based on the average sub-fund assets. The fee does not include any VAT.
Other costs	Other costs within the meaning of Article 13 of the General Fund Rules can be charged to the sub-fund assets as actually incurred.	
Guarantee	No	
Fund term	Unlimited	
Listing	No	
Savings plan	Yes (Berlin, Munich stock exchanges)	
Units	Bearer units	The units shall be represented by global certificates. Unitholders do not have any right to the delivery of physical securities.
Fund manager	Assenagon Credit Management GmbH	
Taxe d'abonnement	0.05% p.a.	The <i>taxe d'abonnement</i> is payable quarterly on the Net Sub-Fund Assets reported at the end of each quarter.
Risk management procedure	Absolute VaR approach	<ul style="list-style-type: none"> – Historical simulation – Daily calculation – 1 month holding period – 99% confidence interval
Anticipated leverage	Due to the Fund's investment strategy, it is expected that the leverage from the use of derivatives will not amount to more than 0.35 times the fund assets.	
Method for determining leverage	Commitment approach	

* The Management Company reserves the right to deviate from the minimum initial and/or minimum subsequent investment amounts where this is justified in individual cases.

Furthermore, the distribution agents and/or the Management Company can deviate from the maximum front load and opt to charge lower front loads.

** IMM dates are the third Wednesday of every March, June, September and December allowing adjustments to reflect the regulations governing public holidays that define the interest rate periods on which the standardised Euribor contracts on various derivatives exchanges are based. The abbreviation IMM stands for "International Monetary Market".

Annex 1.3

Assenagon Credit Debt Capital Sub-Fund

This Annex is only valid in conjunction with the current Prospectus.

A) Investment policy

Investment objective

The sub-fund aims to achieve medium to long-term growth in Euros, with short-term fluctuations in value tolerated. In the medium to long term, the Fund intends to significantly outperform the 3-month Euribor (absolute return). The 3-month Euribor (Euro Interbank Offered Rate) is the rate at which Euro Interbank Term deposits are being offered by one prime bank to another. The sub-fund is not linked to a benchmark.

Investment strategy

In order to achieve the investment objective, the Sub-Fund will primarily use price differences between instruments of differing seniority of a reference entity. To do this, the Fund invests in instruments in a certain segment of the reference entity's capital structure (investment position) and, physically or via derivatives, takes a hedging position in another instrument in the reference entity's capital structure, or in the same one, or in another suitable hedging instrument. The hedging position will be entered into in the expectation that, despite the possible reference to another segment in the capital structure of the same reference entity or to another suitable hedging instrument, the hedging position will have an adequate correlation to the investment position for the strategy. Extreme events on the part of the relevant reference entity, such as insolvency, will be taken into account when creating the hedging position. The Sub-Fund has all the instruments in the capital structure of a reference entity available to it as investment instruments. Investments for the investment position will typically be made in bonds, convertible bonds, structured bonds and hybrid bonds, it also being possible to represent these positions via derivatives, in particular credit default swaps. Shares and also equity and credit derivatives will typically be used for the hedging position. In addition, the investment instruments named below are also available to the Fund Management for entering into hedging positions. The investment policy does not include asset-backed securities (ABS).

The reference entities will be banks, companies or other legal entities (in particular special purpose vehicles of the reference entity or special purpose vehicles with an economic link (e.g. guarantees) to the relevant reference entity), which have entered into loan agreements or issued securities as part of specific transactions.

Potential credit, market fluctuation, interest and currency risks arise from the structure of the investment positions.

In order to hedge against the additional interest rate risks associated with bonds, OTC and exchange-traded interest rate derivatives are used.

Currency risks associated with instruments that are not denominated in Euros are largely hedged. Currency swaps or currency forwards are generally used for this purpose.

The intention is also to largely hedge the credit and market fluctuation risks associated with the investment positions. The investor is exposed to the risk that the investment positions and hedging positions will not grow at the same rate as each other because the investment positions and hedging positions might reference different segments of a reference entity's capital structure, and due to the use of hedging positions which reference other suitable instruments. This might result in either profits or losses for the Fund. In particular, capital measures taken by the reference entity may also give rise to diverging performance by the positions. However, the Fund Management aims to structure the Sub-Fund's positions in such a way that the hedging positions ensure ongoing hedging against potential bond issuer/special purpose vehicle defaults irrespective of the investment positions' price performance.

Recovery swaps may be used in order to hedge the recovery risk (the rate of recovery). With recovery swaps, in the case of a credit event a fixed recovery rate will be exchanged for a realised recovery rate.

In order to hedge risks on the credit market, index swaps (e.g. index swaps on the iTraxx) can also be concluded in individual cases in addition to single-name CDS.

In order to hedge risks on the equity market, index derivative contracts can also be concluded in addition to single-name equity derivative contracts.

The Fund Management only uses investment instruments which have an adequate level of liquidity for the strategy; it also counters liquidity risks through appropriate liquidity management.

The Fund can enter into repurchase agreements (repos) in order to boost its return. The cash received as a result can be reinvested within the framework of the investment strategy.

In particular, the following instruments are to be purchased/concluded in various currencies:

Investment instruments

The following instruments may in particular be acquired individually in order to implement the investment strategy:

- Interest-bearing securities
 - Fixed or floating-rate bonds issued by financial institutions and companies (senior and subordinated bonds).
 - Convertible bonds of various issuers; convertible bonds are bonds that also give the buyer the right to convert the bond into a pre-defined number of shares in the reference entity that issued the bond within a certain period. This means that convertible bonds have both an interest and an equity component.

- Hybrid bonds; hybrid bonds are subordinated bonds which have characteristics of debt and equity.
- Government bonds
- Structured bonds; structured bonds have individual additional conditions which may, for example, influence redemption or the payment of interest.
- Shares
- Equity derivatives (exchange-traded and OTC)
- Derivatives to manage volatility risks (e.g. variance swaps)
- Credit default swaps (CDS) on reference entities of various rating classes, both as protection buyer and protection seller.
- Recovery default swaps on reference entities of various rating classes; with recovery swaps, in the case of a credit event a fixed recovery rate will be exchanged for a realised recovery rate.
- Index swaps, e.g. based on recognised financial indices (iTraxx, CDX, etc.)
- Currency hedging transactions
- Interest rate swaps: hedging of interest rate risk (duration risk) by way of interest rate derivatives (options and futures)
- Total return swaps
- Repurchase agreements (repos)
- Money market investments

In order to achieve the investment objective, the Sub-Fund can make direct investments in the aforementioned instruments, or invest in one or more derivative instruments that reflect the abovementioned investment strategy or individual component instruments via their underlying. The aim of the derivative instruments is to transfer the performance of the abovementioned investment strategy or individual instruments to the Sub-Fund, as with a direct investment. Derivative instruments may be used both for hedging and for investment purposes. Use of these derivatives is made only in adherence with the investment principles and restrictions set out in the General Fund Rules. The Management Company can reduce the counterparty risks associated with OTC derivatives transactions by subjecting the parties to the OTC agreements to the obligation to furnish liquid collateral. Such collateral includes, in particular, cash, securities or prime government bonds.

A market value will be calculated for this collateral on a daily basis. The value of the collateral to be furnished must, at the very least, correspond to the value by which the investment limits set out under Article 5 of the General Fund Rules are exceeded. The collateral can be realised by the Management Company. Cash settlement or physical settlement may be used for the swaps in the Fund portfolio; however an effective delivery of securities can also result.

Currency risks associated with instruments that are not denominated in Euros may be hedged. Currency swaps or currency forwards are generally used for this purpose.

In order to achieve the investment objective, the Sub-Fund can act as a lender of securities subject to the requirements set out in Article 5 of the General Fund Rules.

The Sub-Fund is only permitted to purchase shares/units in other UCITS and other UCI up to a total of 10% of the net fund assets.

Within the framework of the investment restrictions set out in the General Fund Rules, the Sub-Fund can invest in other admissible assets, in particular in liquid assets, money market instruments, money market and quasi-money market funds.

The actual fulfilment of investment objectives cannot be guaranteed.

B) Risk profile of the Sub-Fund

The Fund follows a growth-oriented investment strategy geared towards attractive increase in value. It has large opportunities and larger risks.

C) Investor risk profile

The Fund is particularly suited to investors who expect moderate growth or returns and are prepared to risk losses if necessary. Investment duration should be at least two to three years.

Overview of Assenagon Credit Debt Capital (I)

Reference currency	EUR	
Investor profile	Medium risk tolerance	
Unit classes	Institutional (I)	
Use of income	Distribution	
ISIN	LU0644384843	
German securities identification number (WKN)	A1JCNM	
Subscription period	Not applicable	
Initial issue date/launch date	13 September 2011	
Initial issue price	EUR 1,000	
First calculation of Net Asset Value	13 September 2011 (= initial issue date)	
Minimum net fund volume	EUR 20,000,000	
(Initial) issue price due	2 banking days after the initial issue date/relevant Valuation Date	
Redemption price due	2 banking days after the Valuation Date	
Orders accepted	Until 2.30 p.m. (CET)	Subscription, redemption and conversion orders that are received by the centralising agent by 2.30 p.m. CET on a Valuation Date will be settled at the unit value on the next Valuation Date. Orders received after 2.30 p.m. CET will be settled at the unit value on the Valuation Date after the next Valuation Date. All orders will be settled at the unknown Net Asset Value.
Front load (to be borne by the unitholder)	Not applicable	
Redemption fee (to be borne by the unitholder)	After launch: 1%, from 30 September 2012: 0.5%, from 30 September 2013: 0.25% from 30 September 2014: not applicable	
Minimum initial investment*	EUR 500,000	
Minimum subsequent investment*	None	
Conversion fee	None	
Unit value calculation	On every banking day in Frankfurt am Main and Luxembourg	
Management fee	0.5% p.a.	This fee will be accrued on a daily basis and will be calculated and paid out on the last day of the month based on the average sub-fund assets. The fee does not include any VAT.

Performance fee	<p>The Management Company will receive a performance-related fee (performance fee) from the net fund assets corresponding to 20% of the outperformance over and above a hurdle index. The performance fee will be calculated on every Valuation Date and will be paid out at the end of the financial year.</p> <p>When the Fund is launched, the hurdle index corresponds to the initial issue price of the Fund, and develops, over the course of the financial year, on the basis of the 3-month Euribor, with corrections being made for distributions or withholding tax paid by the Fund per unit. The 3-month Euribor (Euro Interbank Offered Rate) is the rate at which Euro Interbank Term deposits are being offered by one prime bank to another. The interest rate is set in the market standard way in March, June, September and December based on what are known as the IMM dates**, and is applied to the amounts determined on value dates, which are 2 banking days prior to these IMM dates. The first interest rate will be calculated on the launch date as an interpolated Euribor rate for the period leading up to the next IMM date. The current rate and the next adjustment date are published on Assenagon's website (www.assenagon.com).</p> <p>At the close of a financial year, the hurdle index will be adjusted, as at the end of the financial year, to correspond to the higher value of a) the hurdle index value calculated for the end of the financial year or b) the unit value following the payment of the performance fee for the previous financial year (high water mark).</p> <p>In order to prevent dilution effects in the case of unit redemptions, the performance fee for the redeemed units, if positive, will be held back from the fund volume and paid out at year end. In the event of subscriptions, any performance fee per unit calculated and accrued (excluding special items for redemptions and inflows) will be multiplied by the number of units added and credited to the Fund as a positive correction item. The performance fee equals the difference between the unit value (before the performance fee) and the hurdle index, multiplied by the number of units currently outstanding, less the correction items for inflows. In each case, the portion of the performance fee which has been set aside due to flow backs is added.</p> $PerfFee = \text{Max}((NAV_{\text{vor PerfFee; pro Anteil}} - \text{HurdleIndex}) * \text{Anteile} * PF\% - \text{Korrekturposten}_{\text{Zufüsse}}; 0) + PerfRückstellung_{\text{Rückfüsse}}$ <p>At the end of the financial year, and following payment of the performance fee calculated as set out above, the hurdle index will be adjusted as described above, and the accrual and correction items will be reset to zero, irrespective of whether a performance fee was paid out or not.</p>	
Custodian bank, transfer agent, centralising agent and paying agent fee	0.08% p. a., but at least EUR 50,000	This fee will be accrued on a daily basis and will be calculated and paid out on the last day of the month based on the average sub-fund assets. The fee does not include any VAT.
Other costs	Other costs within the meaning of Article 13 of the General Fund Rules can be charged to the sub-fund assets as actually incurred.	
Guarantee	No	
Fund term	Unlimited	
Listing	No	
Savings plan	None	
Percentage	Bearer units, registered units	Bearer units shall be represented by global certificates; registered units shall be entered in the unit register. Unitholders do not have any right to the delivery of physical securities.
Fund manager	Assenagon Credit Management GmbH	
Taxe d'abonnement	0.01% p.a.	The taxe d'abonnement is payable quarterly on the net sub-fund assets reported at the end of each quarter.
Risk management procedure	Absolute VaR approach	<ul style="list-style-type: none"> – Historical simulation – Daily calculation – 1 month holding period – 99% confidence interval
Anticipated leverage	Due to the Fund's investment strategy, it is expected that the leverage from the use of derivatives will not amount to more than 0.50 times the fund assets.	
Method for determining leverage	Commitment approach	

* The Management Company reserves the right to deviate from the minimum initial and/or minimum subsequent investment amounts where this is justified in individual cases. Furthermore, the distribution agents and/or the Management Company can deviate from the maximum front load and opt to charge lower front loads.

** IMM dates are the third Wednesday of every March, June, September and December allowing adjustments to reflect the regulations governing public holidays that define the interest rate periods on which the standardised Euribor contracts on various derivatives exchanges are based. The abbreviation IMM stands for "International Monetary Market".

Overview of Assenagon Credit Debt Capital (P)

Reference currency	EUR	
Investor profile	Medium risk tolerance	
Unit classes	Private clients (P)	
Use of income	Distribution	
ISIN	LU0644385733	
German securities identification number (WKN)number (WKN)	A1JCNN	
Subscription period	Not applicable	
Initial issue date/launch date	13 September 2011	
Initial issue price	EUR 100	
First calculation of Net Asset Value	13 September 2011 (= initial issue date)	
Minimum net fund volume	EUR 20,000,000	
(Initial) issue price due	2 banking days after the initial issue date/relevant Valuation Date	
Redemption price due	2 banking days after the Valuation Date	
Orders accepted	Until 2.30 p.m. (CET)	Subscription, redemption and conversion orders that are received by the centralising agent by 2.30 p.m. CET on a Valuation Date will be settled at the unit value on the next Valuation Date. Orders received after 2.30 p.m. CET will be settled at the unit value on the Valuation Date after the next Valuation Date. All orders will be settled at the unknown Net Asset Value.
Front load (to be borne by the unitholder)	Up to 3.0%	Currently 3.0%
Redemption fee (to be borne by the unitholder)	After launch: 1%, from 30 September 2012: 0.5%, from 30 September 2013: 0.25% from 30 September 2014: not applicable	
Minimum initial investment*	None	
Minimum subsequent investment*	None	
Conversion fee	None	
Unit value calculation	On every banking day in Frankfurt am Main and Luxembourg	
Management fee	1.0% p.a.	This fee will be accrued on a daily basis and will be calculated and paid out on the last day of the month based on the average sub-fund assets. The fee does not include any VAT.

Performance fee	<p>The Management Company will receive a performance-related fee (performance fee) from the net fund assets corresponding to 20% of the outperformance over and above a hurdle index. The performance fee will be calculated on every Valuation Date and will be paid out at the end of the financial year.</p> <p>When the Fund is launched, the hurdle index corresponds to the initial issue price of the Fund, and develops, over the course of the financial year, on the basis of the 3-month Euribor, with corrections being made for distributions or withholding tax paid by the Fund per unit. The 3-month Euribor (Euro Interbank Offered Rate) is the rate at which Euro Interbank Term deposits are being offered by one prime bank to another. The interest rate is set in the market standard way in March, June, September and December based on what are known as the IMM dates**, and is applied to the amounts determined on value dates, which are 2 banking days prior to these IMM dates. The first interest rate will be calculated on the launch date as an interpolated Euribor rate for the period leading up to the next IMM date. The current rate and the next adjustment date are published on Assenagon's website (www.assenagon.com).</p> <p>At the close of a financial year, the hurdle index will be adjusted, as at the end of the financial year, to correspond to the higher value of a) the hurdle index value calculated for the end of the financial year or b) the unit value following the payment of the performance fee for the previous financial year (high water mark).</p> <p>In order to prevent dilution effects in the case of unit redemptions, the performance fee for the redeemed units, if positive, will be held back from the fund volume and paid out at year end. In the event of subscriptions, any performance fee per unit calculated and accrued (excluding special items for redemptions and inflows) will be multiplied by the number of units added and credited to the Fund as a positive correction item. The performance fee equals the difference between the unit value (before the performance fee) and the hurdle index, multiplied by the number of units currently outstanding, less the correction items for inflows. In each case, the portion of the performance fee which has been set aside due to flow backs is added.</p> $Perf\ Fee = \text{Max}((NAV_{\text{end of year}} - Hurdle\ Index) * \text{Anteile} * PF\% - \text{Korrekturposten}_{\text{Zufluss}}; 0) + P$ <p>At the end of the financial year, and following payment of the performance fee calculated as set out above, the hurdle index will be adjusted as described above, and the accrual and correction items will be reset to zero, irrespective of whether a performance fee was paid out or not.</p>	
Custodian bank, transfer agent, centralising agent and paying agent fee	0.08% p. a., but at least EUR 50,000	This fee will be accrued on a daily basis and will be calculated and paid out on the last day of the month based on the average sub-fund assets. The fee does not include any VAT.
Other costs	Other costs within the meaning of Article 13 of the General Fund Rules can be charged to the sub-fund assets as actually incurred.	
Guarantee	No	
Fund term	Unlimited	
Listing	No	
Savings plan	None	
Percentage	Bearer units, registered units	Bearer units shall be represented by global certificates; registered units shall be entered in the unit register. Unitholders do not have any right to the delivery of physical securities.
Fund manager	Assenagon Credit Management GmbH	
Taxe d'abonnement	0.05% p.a.	The taxe d'abonnement is payable quarterly on the net sub-fund assets reported at the end of each quarter.
Risk management procedure	Absolute VaR approach	<ul style="list-style-type: none"> – Historical simulation – Daily calculation – 1 month holding period – 99% confidence interval
Anticipated leverage	Due to the Fund's investment strategy, it is expected that the leverage from the use of derivatives will not amount to more than 0.50 times the fund assets.	
Method for determining leverage	Commitment approach	

* The Management Company reserves the right to deviate from the minimum initial and/or minimum subsequent investment amounts where this is justified in individual cases. Furthermore, the distribution agents and/or the Management Company can deviate from the maximum front load and opt to charge lower front loads.

** IMM dates are the third Wednesday of every March, June, September and December allowing adjustments to reflect the regulations governing public holidays that define the interest rate periods on which the standardised Euribor contracts on various derivatives exchanges are based. The abbreviation IMM stands for "International Monetary Market".

Annex 2

A) General Fund Rules

Preamble

These General Fund Rules dated March 2012 replace the General Fund Rules dated 13 September 2011 and have been filed with the Luxembourg commercial register. Notice of such filing was published in the *Mémorial* on 15 February 2012.

These General Fund Rules set out the general principles for the investment fund with various sub-funds ("*fonds commun de placement à compartiments multiples*") bearing the name **Assenagon Credit** (the "Fund") launched by Assenagon Asset Management S.A. (the "Management Company") pursuant to Part I of the Luxembourg Law of 17 December 2010 on Undertakings for Collective Investment as amended ("Law of 17 December 2010"), which is subject to the aforementioned Law and is managed by Assenagon Asset Management S.A. The Fund has been set up for an unlimited term.

The specific characteristics of the sub-funds are described in the Special Fund Rules that apply to the sub-fund in question, which may contain regulations that supplement, and deviate from, individual provisions set out in the General Fund Rules.

Collectively, the General Fund Rules and the respective Special Fund Rules, as interrelated components, form the Fund Rules that apply to the sub-fund in question.

The Management Company also prepares a prospectus and the key investor information for each fund.

Article 1 – The sub-funds

Each sub-fund is a legally dependent investment fund comprising securities and other assets ("Sub-Fund Assets"), which is managed in accordance with the principle of risk diversification. The Fund consists of the totality of the sub-funds. The respective Sub-Fund Assets, less the liabilities that are attributable to the sub-fund in question ("Net Sub-Fund Assets") must reach a value of EUR 1.25 million within six months after the sub-fund in question has been authorised by the Luxembourg Financial Supervisory Authority, the *Commission de Surveillance du Secteur Financier* ("CSSF"). Each sub-fund is managed by the Management Company. The assets that make up the respective Sub-Fund Assets will be held in custody by the custodian bank.

These General Fund Rules and the Special Fund Rules for the respective sub-fund set out the contractual rights and obligations of the investors, the Management Company and the custodian bank.

By purchasing units, investors acknowledge the General Fund Rules, the Special Fund Rules and any amendments to these.

Article 2 – The Management Company

The Management Company is a public limited company under the law of the Grand Duchy of Luxembourg and has its registered office in Luxembourg.

Subject to the investment restrictions set out in Article 5 of the General Fund Rules, each of the Sub-Fund Assets shall be managed by the Management Company in the latter's own name but solely in the interest and for the joint account of the investors.

The Management Company is responsible for determining and implementing the sub-fund investment policy, as well as for the activities set out in Appendix II to the Law of 17 December 2010. It is entitled to take all management and administrative measures, and to exercise all rights associated either directly or indirectly with the Sub-Fund Assets, for the account of the sub-fund.

The management authority extends in particular, but not exclusively, to the purchase, sale, subscription, conversion and transfer of securities and other legally permissible assets, as well as to the exercise of all rights associated, either directly or indirectly, with the assets of the respective sub-fund. The Management Company's Board of Directors is entitled to entrust the day-to-day management of the Management Company to one or more of its members and/or other individuals.

The Management Company is entitled to call upon external service providers in order to perform its activities.

Furthermore, the Management Company can entrust an investment manager with the management of the assets, or an investment advisor with responsibility for providing investment advice to the Fund/sub-fund. This is mentioned in the Prospectus and the Annexes.

The Management Company is entitled to charge the fee specified in the corresponding Special Fund Rules to the Sub-Fund Assets.

Article 3 – The custodian bank

The Management Company has appointed Brown Brothers Harriman (Luxembourg) S.C.A., Luxembourg ("BBH") as the Fund's custodian bank.

BBH is a *société en commandite par actions* (S.C.A.) under Luxembourg law. It is authorised to conduct all kinds of banking business within the meaning of the Law of 5 April 1993 on the Financial Sector as amended ("Law of 5 April 1993").

The custodian bank has been commissioned with the safe-keeping of the fund assets. Its rights and responsibilities are set out in the Law of 20 December 2002, the Custodian Bank Agreement, the General and Special Fund Rules and in the Prospectus (including Annexes).

In accordance with the Law of 17 December 2010, the custodian bank shall

- a) ensure that the sale, issue, redemption and cancellation of units either by, or on behalf of, the respective sub-fund is in line with the statutory provisions and the Fund Rules;
- b) ensure that, in the case of transactions relating to the respective Sub-Fund Assets, the consideration to be paid is received by the custodian bank by the standard commercial deadlines;

- c) ensure that any income on the respective Sub-Fund Assets its used on accordance with the Fund Rules;
- d) ensure that the Net Asset Value of the units is calculated in line with the statutory provisions and the Fund Rules;
- e) follow the instructions issued by the Management Company unless they violate the statutory provisions or the General and Special Fund Rules.

The custodian bank is entitled to entrust the fund assets that it holds in safe custody either in full or in part to central securities depositories, correspondent banks or other third parties. This applies, in particular, to assets that are officially listed on a foreign stock exchange or are otherwise traded on a foreign market, as well as for assets that are admitted for safe custody in a foreign clearing system.

The fact that assets of the respective sub-fund are transferred to third parties in line with the principles set out above shall not affect the liability of the custodian bank.

Both the custodian bank and the Management Company are entitled to terminate the custodian bank appointment at any time in accordance with the Custodian Bank Agreement. In such cases, the Management Company shall do everything in its power to appoint another bank as custodian bank, with the consent of the CSSF, within a two-month period; the previous custodian bank shall meet its obligations as custodian bank in full, in order to protect the interests of the investors, until a new custodian bank is appointed.

Article 4 – Principal agent

The Management Company has appointed Brown Brothers Harriman (Luxembourg) S.C.A. ("BBH") as the Fund's registrar, transfer agent and administrator (collectively referred to as the principal agent).

In this connection, BBH shall, in particular, assume responsibility for accounting, including the calculation of the Net Asset Value, and for preparing the annual and interim reports for the Fund, for keeping any unit registers and for transferring units in connection with unit issue and redemption.

Article 5 – General investment principles and investment restrictions

The investment objectives and the specific investment policy pursued by a sub-fund are set out in the Special Fund Rules for the respective sub-fund/in the relevant prospectus on the basis of the following general guidelines.

The following definitions apply:

"Non-member state":

A non-member state, within the meaning of these General Fund Rules, is any European country that is not a member of the European Union, as well as any country in America, Africa, Asia, Australia or Oceania.

"Money market instruments":

Instruments that are usually traded on the money market, are liquid, and the value of which can be precisely determined at all times.

"Regulated market":

A market as defined in Article 4, item 14 of Directive 2004/39/EC on investment services in the securities field.

"Law of 17 December 2010":

Law of 17 December 2010 on Undertakings for Collective Investment (including any subsequent amendments and supplements).

"UCI":

Undertaking for collective investment.

"UCITS":

Undertaking for collective investment in transferable securities which is subject to Directive 2009/65/EC.

"Directive 2009/65/EC":

Council Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (including any subsequent amendments).

"Directive 2004/39/EC":

Council Directive 2004/39/EC of 21 April 2004 on investment services in the securities field (including any subsequent amendments).

"Securities":

- Shares and other securities equivalent to shares ("shares").
- Bonds and other forms of securitised debt ("debt securities")
- Any other negotiable securities which carry the right to acquire any such securities by subscription or exchange, with the exception of the techniques and instruments set out under item 5.5.

The investment policy of each sub-fund is subject to the following regulations and investment restrictions:

5.1 The investments made by a sub-fund can consist of the following assets

The fact that the individual sub-funds pursue specific investment policies means that it is possible for several of the investment options set out below not to be used for certain sub-funds. Where appropriate, this is mentioned in the Special Fund Rules for the respective sub-fund.

- a) Securities and money market instruments that are listed or traded on a regulated market;
- b) Securities and money market instruments that are traded on another regulated, recognised market that is open to the public and operates regularly in a member state of the European Union;
- c) Securities and money market instruments that are admitted to official listing on a stock exchange in a non-member state, or which are traded on another regulated market in that country which is recognised, open to the public and operates regularly;
- d) Recently issued securities and money market instruments, provided that the terms of issue include an undertaking that application will be made for official listing on a stock exchange or to trading on a regu-

lated market within the meaning of the provisions set out above under 5.1 a) to c), and that such admission is secured within one year of the issue at the latest;

- e) Shares or units in UCITS authorised pursuant to Directive 2009/65/EC and/or other UCI within the meaning of Article 1 (2) lit. (a) and (b) of Directive 2009/65/EC which have their registered office in a member state of the European Union or a non-member state, provided that
- these other UCI were authorised in accordance with legal provisions that subject them to official supervision which the Luxembourg supervisory authority that is responsible for the financial sector (the "CSSF") deems to be equivalent to supervision under EU law, and that there is a sufficient guarantee that the authorities will cooperate;
 - the level of protection offered to investors in the other UCI is equivalent to the level of protection offered to investors in a UCITS and, in particular, the provisions governing the segregation of assets, borrowing, the granting of loans and the short selling of securities and money market instruments are equivalent to the requirements set out under Directive 2009/65/EC;
 - the business activities of the other UCI are subject to interim and annual reporting that allows investors to assess the assets and liabilities, income and transactions during the period under review
 - the organisational documents of the UCITS or this other UCI in which shares/units are to be acquired stipulate that it may not invest more than 10% of its assets in shares/units in other UCITS or other UCI;
- f) Deposits repayable on demand or deposits with the right to be withdrawn, with a term of 12 months at the most, made with credit institutions, provided that the credit institution in question has its registered office in a member state of the European Union, or, in the event that it has its registered office in a non-member state, provided that it is subject to supervisory regulations which the CSSF deems equivalent to those under EU law;
- g) Derivative financial instruments ("derivatives"), i.e. in particular, options and futures, as well as swap transactions, including equivalent instruments that are settled in cash, which are traded on one of the regulated markets referred to under a), b) and c), and/or derivative financial instruments that are not traded on a stock exchange ("OTC derivatives"), provided that
- The underlyings are either instruments within the meaning of this item 5.1 a) to h), or financial indices, interest rates, exchange rates or currencies;
 - the counterparties in transactions involving OTC derivatives are institutions subject to official supervision belonging to the categories authorised by the CSSF and
- the OTC derivatives are subject to a reliable and verifiable valuation on a day-to-day basis, and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value on the sub-fund's initiative;
- h) Money market instruments that are not traded on a regulated market and do not fall under the definition set out above, if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and provided that they are
- issued or guaranteed by a central, regional or local authority or central bank of a member state, the European Central Bank, the European Union or the European Investment Bank, a non-member state or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more member states belong, or
 - issued by a company whose securities are traded on the regulated markets referred to under (a), (b) and (c) above, or
 - issued or guaranteed by an establishment subject to official supervision, in accordance with criteria defined by EU law, or by an institution which is subject to and complies with supervisory regulations which the CSSF deems to be at least as stringent as those laid down by EU law; or
 - issued by other bodies belonging to the categories authorised by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose equity amounts to at least EUR 10 million (EUR 10,000,000) and which presents and publishes its annual accounts in accordance with Directive 78/660/EEC, or is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.
- 5.2 In addition, each sub-fund can**
- a) invest up to 10% of its net assets in securities and money market instruments other than those set out under 5.1;
 - b) hold cash and cash equivalents;
 - c) take out loans for a short period of time in an amount corresponding to 10% of its net assets. Cover transactions in connection with the sale of options or with the purchase or sale of forward or futures contracts shall not be deemed to constitute borrowing within the meaning of this investment restriction;
 - d) purchase currencies as part of a "back-to-back" loan.
 - e) invest in other sub-funds of the Fund (if the Fund consists of more than one sub-fund) in accordance with the conditions set out in Article 181 (8) of the Law of 17 December 2010. Please note that the target sub-fund in turn is not allowed to invest in the sub-fund which acquired units in the target fund (ban

on circular investments) and that, according to its organisational documents, the target sub-fund whose units are to be acquired may invest a maximum total of 10% of its assets in units in the Fund's other target sub-funds.

5.3 Furthermore, the sub-funds will adhere to the following investment limits when investing their assets

- a) Individual sub-funds may invest no more than 10% of their net assets in securities or money market instruments issued by the same issuer. Sub-funds may invest no more than 20% of their net assets in deposits with the same institution. The counterparty default risk in transactions involving OTC derivatives executed by a sub-fund may not exceed 10% of that sub-fund's net assets if the counterparty is a credit institution within the meaning of 5.1 f). In all other cases, the limit is 5% of the sub-fund's net assets.
- b) The total value of the securities and money market instruments issued by issuers with which the sub-fund invests more than 5% of its net assets in each case, may not exceed 40% of the value of that sub-fund's net assets. This restriction shall not apply to deposits and transactions involving OTC derivatives executed with financial institutions that are subject to official supervision.

Notwithstanding the individual limits specified in 5.3 a), a sub-fund may invest no more than 20% of its net assets, with the same institution, in a combination of

- securities or money market instruments issued by this institution and/or
- deposits with this institution and/or
- transactions involving OTC derivatives executed with this institution.

- c) The limit specified in 5.3 a) sentence 1 amounts to a maximum of 35% if the securities or money market instruments are issued or guaranteed by a member state of the European Union or its political sub-divisions, by a non-member state or by a public international body to which at least one member state of the European Union belongs.
- d) The limit specified in 5.3 a) sentence 1 amounts to a maximum of 25% for certain bonds, if these are issued by a credit institution with its registered office in a member state of the European Union which is subject to special official supervision due to statutory provisions on the protection of the holders of these bonds. In particular, the proceeds from the issue of these bonds must, in line with the statutory provisions, be invested in assets that sufficiently cover the resulting liabilities for the entire term of the bonds, and which, in the event of default by the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

If a sub-fund invests more than 5% of its net assets in bonds, within the meaning of the sub-paragraph above, that are issued by the same issuer, the total value of these investments may not exceed 80% of the value of the net assets of the UCITS.

- e) The securities and money market instruments referred to under 5.3 c) and d) shall not be counted towards the 40% investment limit provided for in 5.3 b).

The limits set out in 5.3 a), b), c) and d) may not be combined, and thus investments made in securities or money market instruments issued by the same issuer or in deposits with this issuer or in derivatives issued by the latter pursuant to 5.3 a), b), c) and d) may not exceed a total of 35% of the net assets of the sub-fund.

Companies belonging to a group of companies with respect to the preparation of consolidated accounts within the meaning of Directive 83/349/EEC or in accordance with recognised international accounting standards, shall be considered as a single issuer when the investment limits provided for under items a) to e) are calculated.

A sub-fund may cumulatively invest up to 20% of its net assets in securities and money market instruments within one group.

- f) Without prejudice to the limits stipulated under 5.3 k), l) and m) below, the limits stipulated in 5.3 a) to e) are raised to a maximum of 20% for investments in shares and/or debt securities issued by the same issuer if the objective of the sub-fund's investment strategy is to replicate a particular equity or debt securities index that is recognised by the CSSF. This is subject to the proviso that
- the composition of the index is sufficiently diversified;
 - the index is an adequate benchmark for the market to which it refers;
 - the index is published in an appropriate manner.
- g) The limit stipulated under 5.3 f) is raised to 35% where this is justified in light of extraordinary market conditions, in particular on regulated markets where certain securities or money market instruments are highly dominant. Investments may be made up to this limit with a single issuer only.
- h) Notwithstanding the provisions set out under 5.3 a) to e), an individual sub-fund may, in line with the principle of risk diversification, invest up to 100% of its net assets in securities and money market instruments from different issues that are issued or guaranteed by a member state of the European Union or its political sub-divisions, or by a member state of the OECD or by public international bodies of which one or more member states of the European Union are members, or by other states recognised by the CSSF (e.g. Brazil, Singapore, Russia, Indonesia and South Africa), provided that (i) the investors in the relevant sub-fund enjoy the same protection as investors in sub-funds that adhere to the investment limits set out in 5.3 a) to g), (ii) such securities were issued in at least six different issues and (iii) no more than 30% of the net assets of the sub-fund are invested in securities from the same issue.**

- i) A sub-fund may acquire shares/units in other UCITS and/or other UCI within the meaning of 5.1 e) provided that no more than 20% of its net assets are invested in the same UCITS or another UCI.

For the purpose of the application of this investment limit, each sub-fund of this umbrella fund within the meaning of Article 181 of the Law of 17 December 2010 is to be considered as a separate issuer, provided that the principle of segregation of the obligations of the various sub-funds vis-à-vis third parties is ensured.

Notwithstanding the first paragraph under (i) and in accordance with the conditions set out in chapter 9 of the Law of 17 December 2010, a sub-fund ("Feeder") may, with the prior permission of the CSSF, invest at least 85% of its net assets in units of another UCITS (or a sub-fund thereof) ("Master"), which is itself not a Feeder.

- j) Investments made in shares/units of UCI other than UCITS may not in aggregate exceed 30% of the net assets of a sub-fund.

If a sub-fund has acquired shares/units of UCITS and/or other UCI, the assets of the respective UCITS or other UCI do not have to be combined for the purposes of the limits specified in 5.3 a) to e).

If a sub-fund purchases shares/units in other UCITS and/or other UCI which are managed, be it directly or indirectly, by the same management company, or by another company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription or redemption fees on account of the sub-fund's investment in the units of such other UCITS and/or other UCI.

Furthermore, in the event that a sub-fund invests a substantial proportion of its net assets in shares/units in other UCITS and/or other UCI, the maximum amount of the share of management fees that may be charged both to the Sub-Fund Assets and to the UCITS and/or other UCI in which the sub-fund invests, shall be set out in the annual report of the sub-fund.

- k) For all of the UCITS managed by it, the Management Company may not acquire shares carrying voting rights to an extent that would allow it, on the whole, to exercise significant influence on the management of the issuer.
- l) Furthermore, a sub-fund may not, all in all, acquire more than:
- 10% of the non-voting shares of the same issuer;
 - 10% of the bonds issued by the same issuer;
 - 25% of the shares/units in the same UCITS and/or other UCI;
 - 10% of the money market instruments issued by the same issuer.

The limits set out in the second, third and fourth indent may be disregarded at the time of acquisition if the gross amount of the bonds or the money

market instruments, or the net amount of the shares/units issued, cannot be calculated.

- m) The provisions set out above under 5.3 k) and l) are not applicable with respect to:
- (i) securities and money market instruments that are issued or guaranteed by a member state of the European Union or its political sub-divisions;
 - (ii) securities and money market instruments that are issued or guaranteed by a non-member state;
 - (iii) securities and money market instruments that are issued by public international bodies of which one or more member states of the European Union are members;
 - (iv) shares held in the capital of a company incorporated in a non-member state of the European Union, (i) which invests its assets mainly in securities issued by issuers having their registered office in that state, (ii) where under the legislation of that state, such a holding represents the only way in which securities from issuers in that state can be acquired, and (iii) insofar as the company adheres to limits set out above under 5.3 a) to e) and 5.3 i) to l) when investing.
- n) No sub-fund is permitted to acquire precious metals or certificates representing them.
- o) A sub-fund may not invest in real estate, although investments in asset-backed securities, or interest accrued thereon, or investments in securities issued by companies that invest in real estate and interest accrued thereon are permitted.
- p) Neither the Management Company nor the custodian bank may grant loans or guarantees to third parties at the expense of a sub-fund's assets, although this investment restriction shall not prevent the sub-fund from investing its net assets in securities, money market instruments or other financial instruments within the meaning of 5.1 e), g) and h) above that have not been fully paid up.
- q) Neither the Management Company nor the custodian bank may engage in short sales of securities, money market instruments or other financial instruments referred to in 5.1 e), g) and h) above for the account of the sub-fund.

5.4 Notwithstanding any provisions to the contrary contained herein

- a) sub-funds do not have to adhere to the limits set out above under 5.1 to 5.3 when exercising subscription rights attaching to the securities or money market instruments which form part of their assets;
- b) and, notwithstanding their obligation to ensure compliance with the principle of risk diversification, newly authorised sub-funds can derogate from the provisions set out above under 5.3 a) to j) during a period of six months after their authorisation by the CSSF;
- c) if it exceeds these provisions for reasons beyond its control or as a result of the exercise of subscription rights, the sub-fund must then adopt as a priority objective for its sales transactions, to rectify the

situation, taking due account of the interests of the investors;

- d) in the case that an issuer forms a single legal entity together with several sub-funds where the assets of a sub-fund are exclusively reserved for the investors in this sub-fund and for the creditors whose claim has arisen in connection with the creation, operation or liquidation of the sub-fund, each sub-fund is to be considered as a separate issuer for the purpose of applying the provisions on risk diversification set out in 5.3 a) to g), as well as in 5.3 i) and j);
- e) the Management Company is entitled to set out additional investment restrictions for the individual sub-funds insofar as this is necessary in order to comply with the laws and regulations in countries in which the units in a sub-fund are offered or sold.

5.5 Other techniques and instruments

a) General provisions

To ensure the efficient management of the Sub-Fund Assets, or the maturity or risk management of the Sub-Fund Assets, the sub-fund may use derivatives and other techniques and instruments.

If these transactions relate to the use of derivatives, the terms and conditions and the limits must be in line with the provisions set out in 5.1 to 5.4 above. Furthermore, the provisions on risk management procedures for derivatives set out in 5.6 below must be taken into account. Derivatives can be used for hedging and/or investment purposes, as described in further detail in the applicable Annex.

A sub-fund may not, under any circumstances, deviate from the investment objectives set out in the Special Fund Rules as regards transactions involving derivatives or other techniques and instruments.

- b) In accordance with Luxembourg law, and in particular CSSF Circular 08/356, the Fund can employ other techniques and instruments based on securities and money market instruments. The Fund is entitled to conclude securities lending, repurchase and buy-back transactions for the purpose of efficient portfolio management and/or for hedging purposes.

The cash collateral received by the Fund in this context can be reinvested by the Fund in line with the investment policy within the diversification limits of the Law of 17 December 2010. The same applies to cash collateral received in connection with OTC derivatives.

The Fund is entitled to accept all of the forms of collateral provided for in Circular 08/356 to secure obligations.

5.6 Risk management procedure

A risk management procedure will be applied for the sub-funds, allowing the Management Company to monitor and measure the risk associated with the investment positions of the individual sub-funds, as well as their respective proportion of the overall risk exposure of the investment portfolio, at all times. As far as OTC derivatives are concerned, a procedure that enables the

precise and independent measurement of the value of the OTC derivative will be applied in this respect.

The Management Company shall ensure, for each sub-fund, that the overall risk exposure related to derivatives does not exceed the total Net Asset Value of the individual sub-fund portfolio. This risk will be calculated taking into account the market value of the respective underlyings, the counterparty default risk, future market fluctuations and the liquidation period for the positions. A sub-fund is entitled, as part of its investment strategy, to invest in derivatives within the limits specified in 5.3 e) above, provided that the total underlying exposure does not exceed the investment limits set out in 5.3 a) to e) above. If a sub-fund invests in index-based derivatives, these investments do not have to be counted towards the investment limits set out in 5.3 a) to e) above.

A derivative embedded in a security or a money market instrument must be taken into account as regards compliance with the provisions set out in this item 5.6.

The Management Company determines the total risk of the respective sub-fund in accordance with CSSF Circular 11/512 of 30 May 2011 and the ESMA Guidelines 10-788 of 28 July 2010. The Management Company can determine the total risk on the basis of the commitment approach, the relative Value at Risk (VaR) approach or the absolute VaR approach. The method used for the sub-fund is set out in the Annex.

When the total risk for the sub-fund is determined in accordance with the relative or absolute VaR approach, the anticipated extent of leverage and the potential of increased leverage is specified in the Annex. The anticipated extent of leverage is determined in accordance with the requirements of CSSF Circular 11/512 and the method used to determine the leverage is set out in the Annex.

If the sub-fund uses the relative VaR approach, information about the reference portfolio is also explained in the Annex.

Article 6 – Units, sub-funds, unit classes

All units in a sub-fund carry the same rights.

The Management Company is entitled, provided that this is set out in the relevant Special Fund Rules, to set up one or several sub-funds for a sub-fund within the meaning of Article 181 of the Law of 17 December 2010, each of which shall form a separate part of the Sub-Fund Assets. The individual sub-funds can differ in terms of their investment objectives, investment policy, reference currency or other characteristics. The rights of investors and creditors concerning a sub-fund or which have arisen in connection with the creation, operation or liquidation of a sub-fund shall be limited to the assets of that sub-fund.

The units can be issued as bearer and/or registered units. Bearer units are issued in the form of global certificates. If registered units are issued, these will be entered in the unit register by the register and transfer agent after approval by the Management Company. In this context, confirmations of entry into the unit register will be sent to the unitholders at the address specified in

the unit register. Unitholders are not entitled to the delivery of physical securities, irrespective of whether issued bearer units or registered units. The types of units are specified in the relevant prospectus annex for the sub-fund.

In the internal relationship between the investors, each sub-fund shall be treated as an independent entity. The Net Asset Value per unit is calculated individually for each sub-fund where applicable.

The respective Special Fund Rules that apply to a sub-fund can also provide for two or more unit classes for that sub-fund. If a sub-fund provides for two or more unit classes, the unit classes may differ in terms fee structure, the minimum investment amounts, the distribution policy, investor eligibility, the reference currency or other special characteristics to be determined by the Management Company in each case. The Net Asset Value per unit is calculated individually for each unit class issued.

All units carry the same entitlements as regards income, price gains and liquidation proceeds of the respective sub-fund or their respective unit class from the date on which they are issued.

Unitholders may directly or indirectly subscribe to units in the Fund via a nominee within the scope of the relevant statutory provisions. Unitholders who make use of a nominee may at any time apply to be entered as the unitholder in the unit register themselves instead of the nominee.

To the extent legally permissible, the nominee will subscribe to and hold the units in their own name, but for the account of the beneficial unitholder. The nominee will send the unitholder confirmation of subscription.

The Management Company advises investors that they may only assert the entirety of their investors' rights directly against the Fund if the investors are entered in the unitholders' register themselves and in their own name. In cases where an investor has invested in the Fund via an intermediary which has made the investment in its own name but on the investor's behalf, the investor cannot necessarily assert all investors' rights against the Fund directly. Investors are advised to inform themselves of their rights.

Article 7 – Issue of units

The Management Company is entitled to issue sub-fund units at any time and without restrictions. The Management Company is entitled to issue one or several unit classes within the respective sub-fund.

The initial issue date and, where appropriate, the initial issue period for a newly set up sub-fund/newly set up unit class is determined by the Management Company and specified in the prospectus for the sub-fund in question. The Management Company may decide, at its own discretion, to withdraw the offer of a sub-fund, a sub-fund or a new unit class before a launch date. In addition, the Management Company reserves the right to stop issuing and selling units at any time, or to refuse to accept excessive unit subscriptions insofar as the latter could have a negative impact on adherence to the investment strategy, meaning that a detrimental effect on

existing investors could not be ruled out. In both cases, investors who have already submitted a subscription order shall be duly informed, and any subscription amounts already transferred shall be paid back. These amounts shall not bear interest in the period leading up to the repayment. The Management Company can also decide that, following the initial subscription, it will no longer be issuing units in a fund, a sub-fund or a certain unit class.

Units will be issued on each Valuation Date (as defined in Article 9 of the General Fund Rules) at the issue price stipulated in the Special Fund Rules for the relevant sub-fund and in line with the terms and conditions set out therein. The issue price may increase by a front load referred to in the relevant Annex.

The front load is charged in favour of the distribution agents. The front load may be increased by fees or other charges levied in the respective countries of distribution. If the legislation of a particular country stipulates lower front loads, the distribution agents commissioned in that country can sell the units subject to the maximum front load permitted in that country.

To the extent that distribution amounts and/or redemption proceeds are used directly to purchase units in a sub-fund or another fund managed by the Management Company, a reinvestment discount set by the Management Company may be granted.

The minimum investment amounts for initial and subsequent subscriptions may vary depending on the fund, sub-fund and unit class. The Management Company reserves the right not to apply minimum initial and subsequent subscription amounts at its own discretion and taking into account the principle of equal treatment of investors.

The issue price is payable to the custodian bank within a period specified in the Special Fund Rules.

The units are issued in the form and denomination determined by the Management Company and described in the Special Fund Rules without delay following the receipt of the issue price by the custodian bank.

Payment for subscription orders must be made in accordance with the provisions of the Special Fund Rules.

Article 8 – Restrictions on the issue of units

The Management Company can restrict or prevent unit ownership by certain individuals if it takes the view that such ownership could have a detrimental impact on the relevant fund or sub-fund, or could violate Luxembourg or foreign laws or other rules and regulations, or if this could result in the fund or sub-fund becoming subject to the laws (for example the tax laws) of a country other than Luxembourg. In particular, the units are not intended for distribution in the United States of America or to US citizens. By way of example, natural persons subject to tax in the US include individuals who

- a) were born in the US or one of its territories/areas subject to its jurisdiction,
- b) are naturalised citizens (e.g. green card holders),

- c) were born abroad as the children of a US citizen,
- d) are primarily resident in the US without being a US citizen or
- e) are married to a US citizen.

By way of example, legal entities subject to tax in the US include

- a) Companies and corporations organised under the laws of one of the 50 US federal states or the District of Columbia,
- b) a company or partnership organised under an "Act of Congress", or
- c) a pension fund formed as a US trust.

As a result, the Management company can reject a subscription order at any time at its own discretion. Furthermore, the Management Company can buy back units held by investors who are excluded from purchasing or holding units, in return for payment of the redemption price, at any time.

Article 9 – Calculation of the net asset value

The value of a unit (the "Net Asset Value") shall be expressed in the currency stipulated in the Special Fund Rules for the sub-fund in question (the "Sub-Fund Currency"). Unless a provision to the contrary is set out in the Special Fund Rules of a sub-fund, the Net Asset Value shall be calculated by the Management Company or an agent of the latter, under the supervision of the custodian bank, on every banking day in Frankfurt am Main and Luxembourg, with the exception of 24 and 31 December of each year ("Valuation Date"). "Banking day" means any day on which the banks in Frankfurt am Main and Luxembourg are open for business. The Management Company can decide to calculate the unit value on 24 and 31 December of a given year, although the values calculated shall not be considered unit value calculations on a Valuation Date within the meaning of the sentence above.

This means that investors cannot demand the issue and/or redemption of units on the basis of a Net Asset Value that was calculated on 24 and 31 December of a given year.

In order to determine the unit value, the value of the assets belonging to a sub-fund, minus the sub-fund liabilities, is calculated on each Valuation Date ("Net Sub-Fund Assets"). This amount is divided by the number of units in the sub-fund outstanding on the Valuation Date and then rounded to two decimal places ("Net Asset Value").

The Net Sub-Fund Assets are calculated based on the following principles:

- a) Assets officially listed on a stock exchange are valued at the last available price. If an asset is listed on several stock exchanges, the last available price on the stock exchange that is the principal market for the asset in question is used.
- b) Assets that are not listed on the stock exchange, but are traded on another regulated, recognised market that is open to the public and operates regularly, are valued at a price which must be no lower than the bid

price and no higher than the offer price at the time of valuation and which the Management Company deems to be the best possible price at which the assets can be sold.

- c) Unlisted derivatives are valued on a day-to-day basis using a verifiable procedure to be determined by the Management Company. Pricing of these derivatives is based on standard criteria verifiable by the auditor.
- d) If the prices referred to under a) and b) above are not in line with the market rates, or if an asset is not listed or traded on a stock exchange or another regulated market, or if, in the case of assets that are listed or traded on a stock exchange or another regulated market, the prices calculated pursuant to the provisions set out under a) or b) do not appropriately reflect the fair value of the respective assets, these assets, as well as all other assets, shall be valued at their market value as determined by the Management Company in good faith and based on valuation rules that are generally accepted and can be verified by auditors.
- e) The pro rata interest accrued on assets shall be included to the extent that it is not expressed in the quoted price.
- f) The liquidation value of forwards or options that are not traded on stock exchanges or other organised markets shall be calculated in line with the principles set out by the Board of Directors on a basis that is applied consistently for all different types of contracts.
The liquidation value of futures or options that are traded on stock exchanges or other organised markets shall be calculated based on the last available settlement prices for such contracts on the stock exchanges or other organised markets on which these futures or options are traded by the sub-fund; if a future, forward or an option contract cannot be liquidated on a day for which the Net Asset Value is calculated, the calculation shall be based on such value as the management may consider fair and reasonable.
- g) Swaps are valued at their present value.
- h) Cash and cash equivalents shall be valued at their nominal value plus accrued interest. Time deposits can be valued at the nominal value plus accrued interest, provided that a corresponding contract between the financial institution responsible for the safe-keeping of the time deposits and the Management Company states that these time deposits can be terminated at any time and that, in the event of termination, the realisation value is equal to this nominal value plus accrued interest.
- i) The target fund units that form part of sub-fund are valued at the Net Asset Value most recently determined and available. If the redemption of investment units has been suspended, or if no redemption prices are determined, the units, as well as all other assets, shall be valued at the respective realisable value as determined by the Management Company in good faith and based on the realisable value that would most likely be calculated.

- j) All assets not denominated in the Sub-Fund Currency shall be converted into the relevant Sub-Fund Currency at the last available exchange rate. Any gains or losses from foreign exchange transactions shall be added or subtracted.
- k) All other securities or other assets shall be valued at the fair realisable value as determined by the Management Company in good faith and based on a procedure stipulated by the latter.

The Management Company can choose to allow other valuation methods at its own discretion if it deems this appropriate in the interest of a more adequate valuation of a sub-fund asset.

If the Management Company takes the view that the Net Asset Value calculated on a certain Valuation Date does not reflect the fair value of the sub-fund units, or if there have been considerable fluctuations on the relevant stock exchanges and/or markets since the Net Asset Value was calculated, the Management Company can opt to update the Net Asset Value on the very same day. In such cases, all subscription and redemption orders received for this Valuation Date shall be executed based on the Net Asset Value that has been updated taking into account the principles of good faith.

The respective Net Sub-Fund Assets may be reduced by distributions paid to the investors of the sub-fund.

In the case of unit classes, the resulting unit value shall be calculated separately for each unit class based on the criteria set out below. The composition and allocation of the assets shall always be performed for the sub-fund as a whole.

Income equalisation arrangements can be applied in respect of income and capital gains.

Article 10 – Suspension of the issue, conversion and redemption of units, and suspension of the calculation of the net asset value

The Management Company is authorised to suspend the calculation of the Net Asset Value, as well as the issue, redemption and conversion of units, for a limited period if, and for as long as, circumstances prevail which make such suspension necessary, in particular

- a) during a period in which a stock exchange or another regulated, recognised market that is open to the public and operates regularly, on which a considerable part of the sub-fund assets are listed or traded, is closed (except on customary weekends or public holidays) or trading on this stock exchange or market has been suspended or restricted;
- b) in emergency situations in which the Management Company cannot dispose of sub-fund assets or in which the Management Company cannot freely transfer the consideration for investment purchases or sales, or cannot calculate the Net Asset Value properly; and/or
- c) during a period of disruption affecting the means of communication usually employed, or aids used to calculate the sub-fund's Net Asset Value or prices on the stock markets or on the markets on which a

considerable portion of the sub-fund's assets are listed/traded.

- d) during a period of temporary suspension of the calculation of the net asset value of a UCITS or UCI (or a sub-fund of one of these), in which the Fund is invested; and/or
- e) during a period in which the Board of Directors considers it impossible to value or sell assets due to particular circumstances.

The Management Company shall ensure that the investors are duly informed of the suspension. Investors who have submitted an order for the subscription, conversion or redemption of units in the sub-funds for which the calculation of the Net Asset Value has been suspended shall be informed without delay of the start and the end of the suspension period. If the issue of units in the Fund is suspended, the Management Company may decide that units from redemptions by existing or new investors may be bought and sold via a secondary market. The price of units traded on the secondary market depends, inter alia, on market supply and demand, other factors such as the prevailing conditions for the financial markets and companies, and economic and political conditions. In addition, such unit orders may result in costs over which the Management Company has no influence.

Article 11 – Redemption of units

The investors are entitled, on each Valuation Date (as defined in Article 9 of the General Fund Rules), to demand the redemption of their units at the redemption price stipulated in the Special Fund Rules for the relevant sub-fund and in line with the terms and conditions set out therein. The redemption price may be reduced by a redemption fee which is identical for all redemption orders settled on a certain Valuation Date, the maximum amount of which is stipulated in the Special Fund Rules for the relevant sub-fund.

The redemption orders shall be considered legally binding and irrevocable, without exception. All of the required documents for redemption, as well as any certificates that may have been issued, must be enclosed with the order.

Investors declare that they agree to units being redeemed either directly or indirectly via the centralising agent; this is mentioned in the Prospectus and the Annexes.

The redemption price shall be paid within the period specified in the relevant Special Fund Rules following the later of the applicable Valuation Date and the date on which all of the required documents have been received by the agent specified in the Prospectus. The custodian bank is only obligated to make payment to the extent that no statutory provisions, e.g. foreign exchange law provisions or other circumstances that are beyond the custodian bank's control, prohibit or restrict the transfer of the redemption proceeds to the country of the investor submitting the order.

The redemption price shall be paid in the reference currency of the respective sub-fund/relevant unit class.

The redemption price can fall short of, or exceed, the price paid at the time of subscription or purchase.

The Management Company is entitled to buy back units at any time at its own discretion and, in particular, in line with the requirements of the provisions set out in item 8. In such cases, the investors are obligated to return the units.

In the event that the number or the total Net Asset Value of units held by an investor in the relevant sub-fund or in a given unit class falls below the minimum net sub-fund assets stipulated by the Management Company in the relevant Annex as a result of a redemption application, the Management Company can decide that this application is to be considered an application for the redemption of the investor's entire unitholdings in the respective sub-fund/in this unit class.

If, on a given Valuation Date, redemption orders are received accounting for more than 10% of a sub fund's Net Asset Value, either individually or taken together with other applications received, the Management Company reserves the right, at its sole discretion and taking into account the interests of the remaining unitholders, to reduce the number of units for the individual redemption orders on a pro rata basis. If an order is not executed in full on this Valuation Date because the Management Company makes use of its right to make a pro rata reduction, it must be treated, as regards the part that has not been executed, as if the unitholder had submitted a further order for the next Valuation Date and, if necessary, also for the seven subsequent Valuation Dates at the most. These orders shall be given priority over orders received for the subsequent Valuation Dates submitted at a later date.

Article 12 – Conversion of units

Unless the Special Fund Rules that apply to the sub-fund in question contain provisions to the contrary, and subject to the satisfaction of the relevant eligibility criteria, the investors in a sub-fund are entitled, on each Valuation Date (as defined in Article 9 of the General Fund Rules) to convert their units at the conversion price stipulated in the Special Fund Rules that apply to the sub-fund in question and in line with the conditions set out therein, for units in a different unit class, if available, or in a different sub-fund managed by the Management Company. The conversion price can increase by a conversion fee, the maximum amount of which is stipulated in the Special Fund Rules for the relevant sub-fund.

Article 13 – Costs of the respective sub-fund

In addition to the costs set out in the Special Fund Rules for the relevant sub-fund, the Management Company can charge the following costs to the individual sub-fund:

- a) all taxes levied on assets, income and expenses of the sub-fund;
- b) the fee for the Management Company and any performance fee;
- c) the fee charged by the custodian bank, centralising agent, any market maker, the principal agent and

paying agents, as well as their processing fees and standard bank charges;

- d) standard commission and bank fees, in particular commission incurred in connection with transactions involving securities and other assets of a sub-fund, as well as with currency and securities hedging transactions;
- e) the costs involved in accounting, bookkeeping and calculating the Net Asset Value, as well as its publication;
- f) advisory costs incurred by the Management Company or the custodian bank when they act in the interest of the investors in a sub-fund;
- g) the costs and expenses in connection with the formation of a sub-fund, set-up costs, fees to be paid to index licensors or index calculation agents, the costs of any listing or registration in Germany and abroad, as well as insurance premiums, interest and brokerage fees;
- h) all printing costs for unit certificates (certificate and coupon sheet);
- i) the fees to be paid to the auditor, as well as the costs of the tax audit and the tax reporting of a sub-fund;
- j) the costs involved in preparing, filing and publishing the General and Special Fund Rules, as well as other documents relating to a sub-fund, including registration applications, prospectuses or written information submitted to all registration authorities and stock exchanges (including local securities dealers' associations) which have to be prepared, filed and published in connection with a sub-fund or the offer of units;
- k) the costs incurred to print and distribute the annual and interim reports, as well as the costs of any IFRS reporting, for the investors in all necessary languages, as well as the costs incurred to print and distribute all other reports and documents required pursuant to the applicable laws or regulations issued by the authorities specified;
- l) the costs relating to publications intended for the investors;
- m) the fees charged by the sub-fund representatives abroad;
- n) an appropriate proportion of the costs incurred for advertising purposes, or of those costs directly associated with the offer and sale of units, as well as distribution agent fees;
- o) as well as all other management fees and costs and expenses incurred by the sub-fund.

All costs and fees are initially offset against current income, then against net capital gains, and then finally against the respective Net Sub-Fund Assets.

Nevertheless, the Management Company retains the right not to charge the sub-fund for certain of these costs, but rather to bear these costs directly using the assets of the Management Company. More detailed provisions in this respect can be found in the Annex to the Prospectus for the relevant sub-fund.

Article 14 – Audit

The accounts of the Management Company, the Fund and all Sub-Fund Assets will be audited by an independent auditor authorised in Luxembourg who is appointed by the Management Company.

Article 15 – Distributions

Notwithstanding any provision to the contrary in the Special Fund Rules of a relevant sub-fund, the Management Company shall decide, for each sub-fund, whether, as a general rule, to make distributions to the investors using the respective Sub-Fund Assets or whether to reinvest these assets.

Interest or dividend income, less costs ("net income"), as well as net realised price gains, can be distributed. Furthermore, unrealised price gains and other assets can be distributed as long as the Net Sub-Fund Assets do not fall below the minimum EUR 1.25 million threshold stipulated by the Law of 17 December 2010 as a result of the distribution.

The Management Company is authorised to make interim distributions.

In the event that a distribution is made in the form of bonus units, any remaining fractional amounts can be paid out in cash or credited. Distribution amounts that remain unclaimed five years after the publication of a distribution notice shall be forfeited and revert to the sub-fund.

It shall, however, be at the discretion of the Management Company to decide whether or not to payout distribution amounts, from the respective sub-fund assets, even after the five-year period has lapsed.

Article 16 – Coming into force, amendments to the General and Special Fund Rules

These General Fund Rules, as well as the Special Fund Rules for each sub-fund and any amendments to these shall come into force on the day they are signed, unless there are provisions that stipulate otherwise.

The Management Company is entitled to amend the General Fund Rules of the Fund and any Special Fund Rules that apply to a specific sub-fund, at any time, either in full or in part.

The first valid version of the General Fund Rules, each set of Special Fund Rules and any amendments to these shall be filed with the Luxembourg commercial register. A notice stating that they were filed with the Luxembourg commercial register will be published in the *Mémorial*.

Article 17 – Publications

The issue price and the redemption price of the sub-fund units, the General and Special Fund Rules, as well as the Prospectus and the simplified prospectus for each fund/sub-fund are available, in each case, from the Management Company, the custodian bank, any centralising agents, all paying agents and the distribution and sub-distribution agents, and can be accessed at www.assenagon.com. To the extent that is required by law or if stipulated by the Management Company, the

issue price and the redemption price for each sub-fund will be published in a daily newspaper, determined by the Management Company, in those countries in which the units are offered to the public.

Four months after the end of each financial year of each sub-fund at the latest, the Management Company will make an audited annual report available, providing information on the relevant Sub-Fund Assets, their management and the results achieved.

At least two months after the end of the first half of each financial year of each sub-fund, the Management Company will make an unaudited interim report available, providing information on the respective Net Sub-Fund Assets and their management during the half-year under review.

The annual report and all interim reports on each sub-fund are available to investors free of charge from the Management Company, the custodian bank and all paying agents, and can be accessed at www.assenagon.com.

Notices to the investors shall be published in at least one supra-regional daily newspaper or electronic communication media (as specified in the Prospectus) in those countries in which the units are offered to the public.

Article 18 – Liquidation and merger of the Fund and the sub-funds

Liquidation

Neither investors nor their heirs/successors may require the liquidation and/or split of a sub-fund.

Each sub-fund can be liquidated by the Management Company at any time. The Management Company will act as the liquidator as a general rule. The Fund must be liquidated in statutorily defined cases or if the Management Company is liquidated for any reason.

Any such liquidation shall be published by the Management Company in the *Mémorial*, the *Official Gazette* of the Grand Duchy of *Luxembourg*, and in at least two daily newspapers in accordance with the statutory provisions. One of these daily newspapers must be published in Luxembourg. If circumstances arise resulting in the liquidation of a sub-fund, the issue of units will be suspended. Units in this sub-fund can still be redeemed provided that equal treatment of the investors is guaranteed.

The custodian bank will distribute the liquidation proceeds, less the liquidation costs and fees, among the investors pro rata to their respective units, upon instruction by the Management Company or, where appropriate, the liquidators appointed by the latter or by the custodian bank with the consent of the supervisory authority. Liquidation proceeds that have not been claimed by investors by the end of the liquidation proceedings will, to the extent that is required by law in such cases, be converted into euros and, following the conclusion of the liquidation proceedings, deposited by the custodian bank with the *Caisse des Consignations* in Luxembourg, in accordance with Article 146 of the Law of 17 December 2010, for the account of the eligible investors. These amounts shall be forfeited if they are not claimed within the statutory period.

If a sub-fund is a Feeder of another UCITS (or a sub-fund thereof), the liquidation or merger of the other UCITS (or its sub-fund) will lead to the liquidation of the Feeder, unless, with the CSSF's permission, the Feeder changes its investment policy within the limits of the Law of 17 December 2010.

Merger

The Management Company can, by way of a resolution passed by the Board of Directors, decide to merge or consolidate a sub-fund with another sub-fund of the Fund or merge or consolidate it with another fund (or a sub-fund of that fund), taking into account the provisions of the Law of 17 December 2010, particularly if:

- if the Net Sub-Fund Assets have, on a given Valuation Date, fallen below an amount that is deemed the minimum amount for financially viable management of the Fund.
- if a material change in the economic or political environment, or profitability reasons mean that it no longer makes commercial sense to continue managing the Fund.

Article 19 - Limitation of actions

Any claims that investors have vis-à-vis the Management Company or the custodian bank are subject to a limitation period of five years after the claim arises. This shall not affect the provision set out in Article 18 (3). The submission deadline for coupons is five years from the date of the published distribution notice.

It shall, however, be at the discretion of the Management Company to decide whether or not to process coupons submitted even after the submission deadline has passed.

Article 20 – Governing law, place of jurisdiction, language and other provisions

These General Fund Rules and the Special Fund Rules that apply to the respective sub-funds are subject to Luxembourg law. The district of Luxembourg City has subject-matter jurisdiction over all legal disputes between investors, the Management Company and the custodian bank.

The Management Company and the custodian bank are entitled to subject themselves and each sub-fund to the jurisdiction and laws of any country in which the units in this sub-fund are distributed to the public, provided that the claims are filed by investors resident in the country in question and relate to unit subscription and redemption.

The German version of the General and Special Fund Rules shall prevail.

With respect to units sold to investors in the respective country, the Management Company and the custodian bank are entitled to declare translations into the languages of the countries in which such units are distributed to the public as binding, both for themselves and for these sub-funds.

In the event of a conflict between the General Fund Rules and the Prospectus, the former shall take precedence.

B) Special Fund Rules: Assenagon Credit Basis Sub-Fund

Supplementary to/in derogation of the General Fund Rules set out above (Articles 1 – 20), the provisions of the Special Fund Rules dated 10 March 2012, which are set out below and replace the Special Fund Rules of 22 April 2009, shall apply to Assenagon Credit Basis (the "Sub-Fund"). A notice stating that these Special Fund Rules were filed with the Luxembourg commercial register was published in the Mémorial on 15 February 2012.

Article 21 – Investment policy

The sub-fund aims to generate a return and is invested based on the principle of risk diversification.

A detailed description of the sub-fund investment policy can be found in the Annex to the Prospectus.

Article 22 – Units, issue, conversion and redemption of units

Units shall be issued in every denomination to be stipulated by the Management Company. If they are represented by a global certificate, the investors shall have no right to the delivery of physical units. This is set out in the Prospectus.

Units in the Sub-Fund are freely transferable.

All units carry the same entitlements as regards income, price gains and liquidation proceeds from the date on which they are issued.

The issue price is the Net Asset Value of the Sub-Fund/the respective unit class pursuant to Article 7 in conjunction with Article 9 of the General Fund Rules on the respective Valuation Date, plus a front load of up to 2%, the specific level of which may vary depending on the unit class. This is set out in the Annex to the Prospectus. The subscription price is payable within two banking days of the relevant Valuation Date at the latest. The payment deadline that applies in each case is set out in Annex 1 to the Prospectus.

The redemption price is the Net Asset Value of the Sub-Fund/the relevant unit class pursuant to Article 9 in conjunction with Article 11 of the General Fund Rules. A redemption fee will be charged, the amount of which shall be determined based on the information set out in the Annex to the Prospectus. The redemption price shall be paid within two banking days, at the most, of the later of the applicable Valuation Date and the date on which all of the required documents have been received by the centralising agent specified in the Prospectus. The payment deadline that applies in each case is set out in Annex 1 to the Prospectus.

Subscription, conversion and redemption orders shall be accepted by the principal agent, the centralising agent and by the distribution agents and sub-distribution agents, and shall be settled based on an unknown Net Asset Value.

Subscription, conversion and redemption applications that have been filled out in full shall be settled in line with the order acceptance regulations set out in Annex 1 to the Prospectus. If subscription, conversion or redemption orders are processed via the principal agent, distribution agents and sub-distribution agents, or by paying agents, different procedures and deadlines may apply; nevertheless, the aforementioned deadlines that apply in respect of the centralising agent shall remain unchanged. The full terms and conditions for subscription, conversion and redemption of fund units are available via the principal agent, or via the respective distribution agents or sub-distribution agents, or via the relevant paying agent.

Article 23 – Costs

For unit class I:

The Management Company shall charge the Sub-Fund a fee of up to 0.6% p.a. This fee will be calculated and accrued on a daily basis and paid out on the last day of the month based on the average monthly Sub-Fund Assets. The fee does not include any VAT.

The custodian bank, the principal agent, the register and transfer agent and the paying agent in Luxembourg are entitled to receive a fee of up to 0.1% p.a., but at least EUR 50,000 p.a., from the Sub-Fund Assets. This fee will be accrued on a daily basis and will be calculated and paid out on the last day of the month based on the average Sub-Fund Assets.

The Sub-Fund may be charged a lump-sum fee for the initiation, preparation and execution of securities lending transactions, repurchase agreements and similar permissible transactions for the account of the Sub-Fund. The fee may correspond to up to half of the income from these transactions. Any standard market fees/costs associated with these transactions can be charged to the Sub-Fund.

The costs of collateral management incurred within the framework of OTC derivatives trading, for securities lending transactions and for repurchase agreements, as well as other costs incurred within the framework of OTC derivatives trading, may likewise be charged to the Sub-Fund.

Furthermore, the Sub-Fund can be charged for other costs pursuant to Article 13 of the General Fund Rules.

For unit class G:

The Management Company shall charge the Sub-Fund a fee of up to 1.1% p.a. This fee will be calculated and accrued on a daily basis and paid out on the last day of the month based on the average monthly Sub-Fund Assets. The fee does not include any VAT.

The custodian bank, the principal agent, the register and transfer agent and the paying agent in Luxembourg are entitled to receive a fee of up to 0.1% p.a., but at least EUR 50,000 p.a., from the Sub-Fund Assets. This fee will be accrued on a daily basis and calculated and paid out at the end of the calendar quarter.

The Sub-Fund may be charged a lump-sum fee for the initiation, preparation and execution of securities lending

transactions, repurchase agreements and similar permissible transactions for the account of the Sub-Fund. The fee may correspond to up to half of the income from these transactions. Any standard market fees/costs associated with these transactions can be charged to the Sub-Fund.

The costs of collateral management incurred within the framework of OTC derivatives trading, for securities lending transactions and for repurchase agreements, as well as other costs incurred within the framework of OTC derivatives trading, may likewise be charged to the Sub-Fund.

Furthermore, the Sub-Fund can be charged for other costs pursuant to Article 13 of the General Fund Rules.

Article 24 – Distribution policy

Only distributing units will be issued.

Article 25 – Financial year

The financial year of the Sub-Fund will end on 31 December of each year, and for the first time on 31 December 2009. The first financial year is an abridged financial year running from the initial issue date until 31 December 2009.

Article 26 – Term of the Sub-Fund

The Sub-Fund has been launched for an unlimited period of time.

C) Special Fund Rules: Assenagon Credit Basis II Sub-Fund

Supplementary to/in derogation of the General Fund Rules set out above (Articles 1 – 20), the provisions of the Special Fund Rules dated 10 March 2012, which are set out below and replace the Special Fund Rules of 30 November 2009, shall apply to Assenagon Credit Basis II (the "Sub-Fund"). Notice of their filing with the Luxembourg commercial register was published in the *Mémorial* on 15 February 2012.

Article 21 – Investment policy

The sub-fund aims to generate a return and is invested based on the principle of risk diversification.

A detailed description of the sub-fund investment policy can be found in the Annex to the Prospectus.

Article 22 – Units, issue, conversion and redemption of units

Units shall be issued in every denomination to be stipulated by the Management Company. If they are represented by a global certificate, the investors shall have no right to the delivery of physical units. This is set out in the Prospectus.

Units in the Sub-Fund are freely transferable.

All units carry the same entitlements as regards income, price gains and liquidation proceeds from the date on which they are issued.

The issue price is the Net Asset Value of the Sub-Fund/the respective unit class pursuant to Article 7 in conjunction with Article 9 of the General Fund Rules on the respective Valuation Date, plus a front load of up to 2.5%, the specific level of which may vary depending on the unit class. This is set out in the Annex to the Prospectus. The subscription price is payable within two banking days of the relevant Valuation Date at the latest. The payment deadline that applies in each case is set out in Annex 1 to the Prospectus.

The redemption price is the Net Asset Value of the Sub-Fund/the relevant unit class pursuant to Article 9 in conjunction with Article 11 of the General Fund Rules. A redemption fee will be charged, the amount of which shall be determined based on the information set out in the Annex to the Prospectus. The redemption price shall be paid within two banking days, at the most, of the later of the applicable Valuation Date and the date on which all of the required documents have been received by the centralising agent specified in the Prospectus. The payment deadline that applies in each case is set out in Annex 1 to the Prospectus.

Subscription, conversion and redemption orders shall be accepted by the principal agent, the centralising agent and by the distribution agents and sub-distribution agents, and shall be settled based on an unknown Net Asset Value.

Subscription, conversion and redemption orders that have been filled out in full shall be settled in line with the order acceptance regulations set out in Annex 1 to the Prospectus. If subscription, conversion or redemption orders are processed via the principal agent, distribution agents and sub-distribution agents, or by paying agents, different procedures and deadlines may apply; nevertheless, the aforementioned deadlines that apply in respect of the centralising agent shall remain unchanged. The full terms and conditions for subscription, conversion and redemption of fund units are available via the principal agent, or via the respective distribution agents or sub-distribution agents, or via the relevant paying agent.

Article 23 – Costs

For unit class I:

The Management Company shall charge the Sub-Fund a fee of up to 0.8 % p.a. This fee will be calculated and accrued on a daily basis and paid out on the last day of the month based on the average monthly Sub-Fund Assets. The fee does not include any VAT. Furthermore, the Management Company can receive a performance fee that is calculated on a daily basis and paid on an annual basis. Where applicable, this shall be set out in the Annex to the Prospectus.

The custodian bank, the principal agent, the register and transfer agent and the paying agent in Luxembourg are entitled to receive a fee of up to 0.1% p.a., but at least EUR 50,000 p.a., from the Sub-Fund Assets. This fee will be accrued on a daily basis and will be calculated and paid out on the last day of the month based on the average Sub-Fund Assets.

For the initiation, preparation and execution of securities lending transactions and repurchase agreements, as well as similar permissible transactions, for the account of the Sub-Fund, the Sub-Fund can be charged a lump-sum fee corresponding to up to half of the income from these transactions. Any standard market fees/costs associated with these transactions can be charged to the Sub-Fund.

The costs of collateral management incurred within the framework of OTC derivatives trading, for securities lending transactions and for repurchase agreements, as well as other costs incurred within the framework of OTC derivatives trading, may likewise be charged to the Sub-Fund.

Furthermore, the Sub-Fund can be charged for other costs pursuant to Article 13 of the General Fund Rules.

For unit class P:

The Management Company shall charge the Sub-Fund a fee of up to 1.3% p.a. This fee will be calculated and accrued on a daily basis and paid out on the last day of the month based on the average monthly Sub-Fund Assets. The fee does not include any VAT. Furthermore, the Management Company can receive a performance fee that is calculated on a daily basis and paid on an annual basis. Where applicable, this shall be set out in the Annex to the Prospectus.

The custodian bank, the principal agent, the register and transfer agent and the paying agent in Luxembourg are entitled to receive a fee of up to 0.1% p.a., but at least EUR 50,000 p.a., from the Sub-Fund Assets. This fee will be accrued on a daily basis and calculated and paid out at the end of the calendar quarter.

For the initiation, preparation and execution of securities lending transactions and repurchase agreements, as well as similar permissible transactions, for the account of the Sub-Fund, the Sub-Fund can be charged a lump-sum fee corresponding to up to half of the income from these transactions. Any standard market fees/costs associated with these transactions can be charged to the Sub-Fund.

The costs of collateral management incurred within the framework of OTC derivatives trading, for securities lending transactions and for repurchase agreements, as well as other costs incurred within the framework of OTC derivatives trading, may likewise be charged to the Sub-Fund.

Furthermore, the Sub-Fund can be charged for other costs pursuant to Article 13 of the General Fund Rules.

Article 24 – Distribution policy

Only distributing units will be issued.

Article 25 – Financial year

The Sub-Fund financial year shall end for the first time on 31 December 2010. The first financial year is an abridged financial year running from the initial issue date until 31 December 2010.

Article 26 – Term of the Sub-Fund

The Sub-Fund has been launched for an unlimited period of time.

D) Special Fund Rules: Assenagon Credit Debt Capital Sub-Fund

Supplementary to/in derogation of the General Fund Rules set out above (Articles 1 – 20), the provisions of the Special Fund Rules dated 10 March 2012, which are set out below and replace the Special Fund Rules of 13 September 2011, shall apply to Assenagon Credit Debt Capital (the "Sub-Fund"). Notice of their filing with the Luxembourg commercial register was published in the Mémorial on 15 February 2012.

Article 21 – Investment policy

The Sub-Fund aims to generate a return and is invested based on the principle of risk diversification.

A detailed description of the Sub-Fund investment policy can be found in the Annex to the Prospectus.

Article 22 – Units, issue, conversion and redemption of units

Units shall be issued in every denomination to be stipulated by the Management Company. Unitholders do not have any rights to the delivery of physical securities.

Units in the Sub-Fund are freely transferable.

All units carry the same entitlements as regards income, price gains and liquidation proceeds from the date on which they are issued.

The issue price is the Net Asset Value of the Sub-Fund/the relevant unit class pursuant to Article 7 in conjunction with Article 9 of the General Fund Rules on the respective Valuation Date plus a front load of up to 3.0%, the actual amount of which may vary according to unit class. This is mentioned in the Annex to the Prospectus. The subscription price is payable within 2 banking days of the relevant Valuation Date at the latest. The payment deadline that applies in each case is set out in Annex 1 to the Prospectus.

The redemption price is the Net Asset Value of the Sub-Fund/the relevant unit class pursuant to Article 9 in conjunction with Article 11 of the General Fund Rules. A redemption fee will be charged, the amount of which shall be determined based on the information set out in the Annex to the Prospectus. The redemption price shall be paid within 2 banking days, at the most, of the later of the applicable Valuation Date and the date on which all of the required documents have been received by the centralising agent specified in the Prospectus. The payment deadline that applies in each case is set out in Annex 1 to the Prospectus.

Subscription, conversion and redemption applications shall be accepted by the principal agent, the centralising agent and by the distribution agents and sub-distribution agents, and shall be settled based on an unknown Net Asset Value.

Subscription and redemption orders that have been filled out in full shall be settled in line with the order acceptance regulations set out in Annex 1 to the Prospectus.

If subscription, conversion or redemption orders are processed via the principal agent, distribution agents and sub-distribution agents, or by paying agents, different procedures and deadlines may apply; nevertheless, the aforementioned deadlines that apply in respect of the centralising agent shall remain unchanged. The full terms and conditions for subscription, conversion and redemption of fund units are available via the principal agent, or via the respective distribution agents or sub-distribution agents, or via the relevant paying agent.

Article 23 – Costs

For unit class I:

The Management Company shall charge the Sub-Fund a fee of up to 0.5% p.a. This fee will be calculated and accrued on a daily basis and paid out on the last day of the month based on the average Sub-Fund assets. The fee does not include any VAT. Furthermore, the Management Company can receive a performance fee that is calculated on a daily basis and paid on an annual basis. Where applicable, this shall be set out in the Annex to the Prospectus.

The custodian bank, the principal agent, the register and transfer agent and the paying agent in Luxembourg are entitled to receive a fee of 0.08% p.a., but at least EUR 50,000 p.a., from the sub-fund assets. This fee will be accrued on a daily basis and will be calculated and paid out on the last day of the month based on the average sub-fund assets.

The Sub-Fund may be charged a lump-sum fee for the initiation, preparation and execution of securities lending transactions, repurchase agreements and similar permissible transactions for the account of the Sub-Fund. The fee may correspond to up to half of the income from these transactions. Any standard market fees/costs associated with these transactions can be charged to the Sub-Fund.

The costs of collateral management incurred within the framework of OTC derivatives trading, for securities lending transactions and for repurchase agreements, as well as other costs incurred within the framework of OTC derivatives trading, may likewise be charged to the Sub-Fund.

Furthermore, the Sub-Fund can be charged for other costs pursuant to Article 13 of the General Fund Rules.

For unit class P:

The Management Company shall charge the Sub-Fund a fee of up to 1.0% p.a. This fee will be accrued on a daily basis and will be calculated and paid out on the last

day of the month based on the average sub-fund assets. The fee does not include any VAT. Furthermore, the Management Company can receive a performance fee that is calculated on a daily basis and paid on an annual basis. Where applicable, this shall be set out in the Annex to the Prospectus.

The custodian bank, the principal agent, the register and transfer agent and the paying agent in Luxembourg are entitled to receive a fee of 0.08% p.a., but at least EUR 50,000 p.a., from the sub-fund assets. This fee will be accrued on a daily basis and will be calculated and paid out at the end of the calendar quarter.

The Sub-Fund may be charged a lump-sum fee for the initiation, preparation and execution of securities lending transactions, repurchase agreements and similar permissible transactions for the account of the Sub-Fund. The fee may correspond to up to half of the income from these transactions. Any standard market fees/costs associated with these transactions can be charged to the Sub-Fund.

The costs of collateral management incurred within the framework of OTC derivatives trading, for securities

lending transactions and for repurchase agreements, as well as other costs incurred within the framework of OTC derivatives trading, may likewise be charged to the Sub-Fund.

Furthermore, the Sub-Fund can be charged for other costs pursuant to Article 13 of the General Fund Rules.

Article 24 – Distribution policy

Only distributing units will be issued.

Article 25 – Financial year

The financial year of the Sub-Fund will end on 31 December of each year. The first financial year is an abridged financial year running from the initial issue date until 31 December 2011.

Article 26 – Term of the Sub-Fund

The Sub-Fund has been launched for an unlimited period of time.

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