

**SALES PROSPECTUS**  
(including Annex and Articles of Association)

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**Vietnam Emerging Market Fund SICAV**

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Management Company:

**IPConcept (Luxemburg) S.A.**

Depositary:

**DZ PRIVATBANK S.A.**

As at: 1st January 2020

**VISA 2020/158920-8240-0-PC**

L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité  
Luxembourg, le 2020-01-28  
Commission de Surveillance du Secteur Financier

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## Contents

<b>Sales Prospectus</b> .....	<b>9</b>
The Investment Company .....	<b>9</b>
The Management Company .....	<b>9</b>
The Depositary .....	<b>11</b>
The Registrar and Transfer Agent .....	<b>12</b>
The Central Administration Agent .....	<b>12</b>
The Fund manager .....	<b>12</b>
Legal position of shareholders.....	<b>13</b>
General information on trading in the fund shares .....	<b>13</b>
Information on derivatives and other techniques and instruments .....	<b>14</b>
Calculation of the net asset value per share .....	<b>19</b>
Issue of shares .....	<b>20</b>
Redemption and exchange of shares .....	<b>20</b>
Risk information.....	<b>22</b>
General market risk .....	<b>22</b>
Interest rate risk .....	<b>22</b>
Potential conflicts of interests .....	<b>29</b>
Risk profile .....	<b>29</b>
Risk-management process .....	<b>30</b>
Taxation of the Investment Company .....	<b>31</b>
Taxation of income from shares in the Investment Company held by the shareholder .....	<b>31</b>
Publication of the net asset value per share and the issue and redemption price .....	<b>32</b>
Information for shareholders.....	<b>32</b>
Information for shareholders with regard to the United States of America.....	<b>33</b>
Information for shareholderswith respect to the automatic exchange of information .....	<b>36</b>
Combating money laundering .....	<b>37</b>
Data protection.....	<b>37</b>

<b>Appendix .....</b>	<b>40</b>
<b>Articles of Association.....</b>	<b>46</b>
<b>1. Name, registered office and purpose of the Investment Company .....</b>	<b>46</b>
Article 1 Name .....	46
Article 2 Registered office .....	46
Article 3 Purpose .....	46
Article 4 General investment principles and restrictions .....	46
<b>II. Duration, merger and liquidation of the Investment Company .....</b>	<b>55</b>
Article 5 Duration of the Investment Company .....	55
Article 6 Merger of the Investment Company .....	55
Article 7 Liquidation of the Investment Company .....	56
<b>IV. Capital and shares .....</b>	<b>57</b>
Article 8 Capital.....	57
Article 9 Shares .....	57
Article 10 Calculation of the net asset value per share .....	58
Article 11 Suspension of the calculation of the net asset value per share.....	60
Article 12 Issue of shares.....	61
Article 13 Restriction and suspension of the issue of shares.....	62
Article 14 Redemption and exchange of shares .....	62
<b>V. General meeting.....</b>	<b>64</b>
Article 15 Rights of the general meeting .....	64
Article 16 Convening of meetings.....	64
Article 17 Quorum and voting .....	65
Article 18 Chairman, teller, secretary .....	66
<b>VI. Board of Directors .....</b>	<b>66</b>
Article 19 Membership.....	66
Article 20 Authorisations.....	67
Article 21 Internal organisation of the Board of Directors .....	67
Article 22 Frequency and convening of meetings.....	68
Article 23 Meetings of the Board of Directors.....	68
Article 24 Minutes .....	69

Article 25	Authorised signatories .....	<b>69</b>
Article 26	Incompatibilities and personal interest .....	<b>69</b>
Article 27	Indemnification .....	<b>70</b>
Article 28	Management Company .....	<b>70</b>
Article 29	Fund Manager .....	<b>70</b>
<b>VII.</b>	<b>Auditors.....</b>	<b>71</b>
Article 30	Auditors.....	<b>71</b>
<b>VIII.</b>	<b>General and final provisions .....</b>	<b>71</b>
Article 31	Use of income .....	<b>71</b>
Article 32	Reports.....	<b>72</b>
Article 33	Costs .....	<b>72</b>
Article 34	Financial year .....	<b>75</b>
Article 35	Depositary Bank .....	<b>75</b>
Article 36	Amendment of the Articles of Association .....	<b>78</b>
Article 37	General.....	<b>78</b>

## **MANAGEMENT, DISTRIBUTION AND ADVISORY SERVICES**

### **INVESTMENT COMPANY**

#### **Vietnam Emerging Market Fund SICAV**

4, rue Thomas Edison  
L-1445 Strassen, Luxembourg

#### **Board of Directors of the Investment Company**

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

Nguyen Xuan Minh  
Chairman  
Vietnam Asset Management Ltd.

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

Thieu Thi Nhat Le  
Chief Executive Officer  
Vietnam Asset Management Ltd.

##### **Member of the Board of Directors**

Felix Graf von Hardenberg  
Authorized Signatory  
IPConcept (Luxemburg) S.A.

#### **AUDITOR OF THE INVESTMENT COMPANY**

##### **KPMG Luxembourg, Société coopérative**

39, Avenue John F. Kennedy  
L-1855 Luxembourg

## **Management Company**

### **IPConcept (Luxemburg) S.A.**

4, rue Thomas Edison  
L-1445 Strassen, Luxembourg

E-mail: info@ipconcept.com

Website: www.ipconcept.com

Equity capital as at 31 December 2018: EUR 4,580,000

## **Executive Board of the Management Company (management body)**

Marco Onischschenko (CEO)

Marco Kops

Silvia Mayers

Nikolaus Rummler

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

### **Chairman of the Supervisory Board**

Dr. Frank Müller

Member of the Executive Board

DZ PRIVATBANK S.A.

### **Other Supervisory Board members**

Bernhard Singer

Klaus-Peter Bräuer

## **Auditor of the Management Company**

### **Ernst & Young S.A.**

35E, Avenue John F. Kennedy

L-1855 Luxembourg

## **DEPOSITARY**

### **DZ PRIVATBANK S.A.**

4, rue Thomas Edison  
L-1445 Strassen, Luxembourg

**CENTRAL ADMINISTRATION AGENT AND REGISTRAR AND TRANSFER AGENT**

**DZ PRIVATBANK S.A.**

4, rue Thomas Edison  
L-1445 Strassen, Luxembourg

**FUND MANAGER**

**VAM Vietnam Fund Management Joint Stock Company**

Unit 01-B, 15<sup>th</sup> Floor, The Landmark,  
5B Ton Duc Thang, District 1,  
Ho Chi Minh City  
Vietnam

**PAYING AGENT**

*Grand Duchy of Luxembourg*

**DZ PRIVATBANK S.A.**

4, rue Thomas Edison  
L-1445 Strassen, Luxembourg

The investment company described in this sales prospectus (including Articles of Association and Annex) (the "Sales Prospectus") is a Luxembourg investment company (*société d'investissement à capital variable*) that has been established for an unlimited period in the form of a single fund ("Investment Company") in accordance with Part I of the Luxembourg Law of 17 December 2010 relating to undertakings for collective investment, as amended (the "Law of 17 December 2010").

This Sales Prospectus is only valid in conjunction with the most recently published annual report, which may not be more than 16 months old. If the annual report is older than eight months, the buyer will also be provided with the semi-annual report.

The currently valid Sales Prospectus and the "Key Investor Information Document" shall form the legal foundation for the purchase of **shares**. In purchasing **shares**, the shareholder acknowledges the Sales Prospectus, the "Key Investor Information Document" and any approved amendments published thereto.

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

No information or explanations may be given which are at variance with the Sales Prospectus or the "Key Investor Information Document". Neither the Management Company nor the Investment Company shall be liable if any information or explanations are given which deviate from the terms of the current Sales Prospectus or the "Key Investor Information Document".

The Sales Prospectus and the "Key Investor Information Document" as well as the relevant annual and semi-annual reports for the Management Company are available free of charge at the registered office of the Investment Company, the Depositary, the paying agents and any sales agent. The Sales Prospectus and the "Key Investor Information Document" may also be downloaded from [www.ipconcept.com](http://www.ipconcept.com). Upon request by the shareholder, these documents will also be provided in hard copy. For further information, please see the section entitled "Information for shareholders".

## Sales Prospectus

The Investment Company described in this Sales Prospectus is managed by **IPConcept (Luxembourg) S.A.** ("Management Company"):

This Sales Prospectus includes the Annex relating to the fund and the Articles of Association of the Investment Company. The Sales Prospectus (including Annex) and the Articles of Association constitute a whole in terms of their substance and thus complement each other.

### ***The Investment Company***

The Investment Company is a public limited company with variable capital (*société d'investissement à capital variable*), under the law of the Grand Duchy of Luxembourg with its registered office located at 4, rue Thomas Edison, L-1445 Strassen, Luxembourg. It was founded on 8 May 2014 at the initiative of the **Vietnam Asset Management Ltd.** for an indefinite period. Its Articles of Association were first published on 30 May 2014 in the *Mémorial, Recueil des Sociétés et Associations*, the official journal of the Grand Duchy of Luxembourg ("Mémorial"). The Mémorial was replaced on 1 June 2016 by the new information platform Recueil électronique des sociétés et associations ("RESA") of the Trade and Companies Register in Luxembourg. Amendments to the Articles of Association of the Investment Company came into effect on 13 October 2016 and were published in the RESA. The Investment Company's financial year ends on 31 December of each year.

The Investment Company's capital amounted to EUR 31,000 made up of 310 shares of no par value upon foundation, and will at all times be equal to the net asset value of the Investment Company. In accordance with the Law of 17 December 2010, the capital of the Investment Company must reach an amount of at least EUR 1,250,000 within six months of its registration by the Luxembourg supervisory authority.

The exclusive purpose of the Investment Company is to invest in securities and/or other permissible assets in accordance with the principle of risk diversification pursuant to Part I of the Law of 17 December 2010, with the aim of achieving gains for the benefit of the shareholders by following a specific investment policy.

The Board of Directors of the Investment Company has been authorised to carry out all transactions that are necessary or beneficial to fulfil the Company's purpose. The Board of Directors is responsible for all business of the Investment Company, unless otherwise specified in the Law of 10 August 1915 on commercial companies (including amendments) or the Articles of Association of the general meeting.

In an agreement dated 8 May 2014, the Board of Directors of the Investment Company transferred the management function in accordance with amended Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) to the Management Company.

### ***The Management Company***

The Board of Directors of the Investment Company has entrusted **IPConcept (Luxembourg) S.A.** (the "Management Company"), a public limited company under the law of the Grand Duchy of Luxembourg, with its registered office at 4, rue Thomas Edison, L-1445 Strassen, Luxembourg, with management of the assets, administration and the sale of shares of the Investment Company. The Management Company was established for an indefinite period on 23 May 2001. Its Articles of Association were published in the

Mémorial on 19 June 2001. The most recent amendment to the Articles of Association entered into force on 12 October 2016 and was published in the RESA on 10 October 2016. The Management Company is entered in the Luxembourg Trade and Companies Register under registration number R.C.S. Luxembourg B 82.183. The financial year of the Management Company ends on 31 December of each year. The equity capital of the Management Company amounted to EUR 4,580,000 on 31 December 2018.

The purpose of the Management Company is to establish and manage the following on behalf of unitholders (i) undertakings for collective investment in transferable securities ("UCITS") pursuant to Directive 2009/65/EC as amended, (ii) alternative investment funds ("AIF") in accordance with Directive 2011/61/EU as amended, and other undertakings for collective investment which do not fall under the scope of the aforementioned Directives. The Management Company acts in accordance with the provisions of the Law of 17 December 2010 relating to undertakings for collective investment ("Law of 17 December 2010"), the Law of 13 February 2007 on specialised investment funds ("Law of 13 February 2007"), and the provisions of the Law of 12 July 2013 on alternative investment fund managers ("Law of 12 July 2013"), as well as the applicable regulations and the circulars of the *Commission de Surveillance du Secteur Financier* ("CSSF") all in their currently valid form.

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

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

The Management Company acts honestly, fairly, professionally and independently of the Depositary and solely in the interests of the shareholders when carrying out its tasks.

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

The Supervisory Board of the Management Company appointed Marco Onischschenko, Marco Kops, Silvia Mayers and Nikolaus Rummler as Executive Board members and assigned management of the business to them. Marco Onischschenko was appointed CEO.

The Management Company currently manages the following investment funds:

AKZENT Invest Fonds 1 (Lux), apo Medical Opportunities, apo VV Premium, Arabesque Q3.17 SICAV, Arabesque SICAV, BAKERSTEEL GLOBAL FUNDS SICAV, Baumann and Partners, BCDI-Aktienfonds, BPM, BS Best Strategies UL Fonds, BZ Fine Funds, CMT, CONREN, CONREN Fortune, Deutschland Ethik 30 Aktienindexfonds UCITS ETF, DZPB Concept, DZPB II, DZPB Portfolio, DZPB Reserve (in Liquidation), DZPB Vario, EB-Öko-Aktienfonds, Exklusiv Portfolio SICAV, FG&W Fund, FIDES, Flowerfield, Fonds Direkt Sicav, Fortezza Finanz, framas-Treuhand, FundPro, FVCM, Genesis Liquid Alternative Strategies Fund, GENOKONZEPT, Global Family Strategy I, Global Family Strategy II, GLS Alternative Investments, HELLERICH Global, Huber Portfolio SICAV, Iron Trust, Istanbul Equity Fund (in Liquidation), JB Struktur, KCD-Mikrofinanzfonds, Kapital Konzept, Kruse & Bock Kompass Strategie, Liquid Stressed Debt Fund, m4, MainSky Bond Absolute Return, MainSky Macro Allocation Fund, ME Fonds, Mellinckrodt 2 SICAV, Mobilitas Global Convertible Fund, Modulor, MPPM, Multiadvisor Sicav, Mundus Classic Value, Nachhaltigkeit – Euroland konservativ, Nachhaltigkeitsfonds – ausgewogen, NPB SICAV, P & R, Phaidros

Funds, Portikus International Opportunities Fonds, PRIMA, Pro Fonds (Lux), Pro Select, PTAM Weltportfolio Ausgewogen, PTAM Weltportfolio Defensiv, PVV SICAV, Salm, SAM - Strategic Solution Fund, Sauren, Sauren Global, Sauren Select, Seahawk Equity Long Short Fund, S.E.A. Funds, Silk, SOTHA, STABILITAS, StarCapital, StarCapital Allocator, StarCapital Emerging Markets, STARS, STRATAV Quant Strategie Deutschland, STRATAV Quant Strategie Europa, Stuttgarter-Aktien-Fonds, Stuttgarter Dividendenfonds, Stuttgarter Energiefonds, Taunus Trust, Taunus Trust II, TRIGON, VB Karlsruhe Premium Invest, Vermögensbaustein – defensiv, Vietnam Emerging Market Fund SICAV, VM, Volksbank Kraichgau Fonds, VR Nürnberg (IPC), VR Premium Fonds, VR Vip, VR-PrimaMix, WAC Fonds, WINVEST Direct Fund, WR Strategie und WVB.

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

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

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

### ***The Depositary***

The sole Depositary of the Fund is **DZ PRIVATBANK S.A.**, with its registered office at 4, rue Thomas Edison, L-1445 Strassen, Luxembourg. The Depositary is a public limited company (Aktiengesellschaft) pursuant to the law of the Grand Duchy of Luxembourg and conducts banking business.

The rights and obligations of the Depositary are governed by the Law of 17 December 2010, the applicable regulations, the Depositary Agreement, the Articles of Association (Article 37) and this Sales Prospectus (including Annex). It acts honestly, fairly, professionally and independently of the Management Company and solely in the interest of the shareholders.

Pursuant to Article 35 of the Articles of Association, the Depositary may delegate some of its duties to third parties ("sub-custodians").

An up-to-date overview of sub-custodians can be found on the Management Company's website ([www.ipconcept.com](http://www.ipconcept.com)) or requested free of charge from the Management Company.

Upon request, the Management Company will provide shareholders with the latest information regarding the identity of the Fund's depositary, the Depositary's obligations and any conflicts of interest that could arise and with a description of all depositary functions transferred by the Depositary, the list of sub-custodians and information on any conflicts of interest that could arise from the transfer of functions.

The appointment of the Depositary and/or sub-custodians may cause potential conflicts of interest, which are described in more detail in the section entitled "Potential conflicts of interest".

### ***The Registrar and Transfer Agent***

The Registrar and Transfer Agent of the Investment Company is **DZ PRIVATBANK S.A.**, with its registered office at 4, rue Thomas Edison, L-1445 Strassen, Luxembourg. The Registrar and Transfer Agent is a public limited company (Aktiengesellschaft) pursuant to the law of the Grand Duchy of Luxembourg. The duties of the Registrar and Transfer Agent include the processing of applications and orders for the subscription, redemption, exchange and transfer of shares, as well as the keeping of the share register.

### ***The Central Administration Agent***

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

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

### ***The Fund manager***

The Management Company has appointed VAM Vietnam Fund Management Joint Stock Company, a company under Vietnamese law with its registered office in Unit 01-B, 15th Floor, The Landmark, 5B Ton Duc Thang, District 1, Ho Chi Minh City, Vietnam, as fund manager of the Fund and has transferred investment management to that company. The company was incorporated as joint stock company for an indefinite period on 23 January 2009.

The Fund Manager is responsible for the independent day-to-day implementation of the investment policy of the fund assets and for managing the day-to-day business of asset management, as well as to provide other associated services under the supervision, responsibility and control of the Management Company. Said managers must execute these tasks while obeying the principles of the investment policy and investment restrictions of the fund, as described in this Sales Prospectus.

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

The Fund Manager has the right to obtain advice from third parties, particularly from various investment advisers, at its own cost and on its own responsibility.

The Fund Manager is authorized, with the prior consent of the Management Company, to transfer some or all of its duties and obligations to a third party, whose remuneration shall be paid by the Fund Manager. In this case the Sales Prospectus shall be amended accordingly.

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

### ***Legal position of shareholders***

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

The shareholders are co-owners of the fund's assets in proportion to their number of shares. The shares of the fund shall be issued in the certificates and denominations stated in the appendix to the fund. If registered shares are issued, these are documented by the Registrar and Transfer Agent in the share register kept on behalf of the Investment Company. Confirmation of entry in the share register shall be sent to the shareholders at the address specified in the share register. Unitholders are not entitled to the delivery of physical share certificates.

In principle, all shares in the fund in principle have the same rights, unless the Investment Company decides to issue different share classes within the same fund pursuant to Article 11 (5) of the Articles of Association.

The Investment Company asks shareholders to note that they can directly assert all of their investor rights in relation to the Fund (particularly the right to participate in shareholders' meetings) only if the shareholder himself is registered in the share register for the Fund under his own name. In cases where a shareholder has invested in a fund or sub-fund through an intermediary which undertakes investments in its name but on behalf of the shareholder, said shareholder cannot directly assert all his rights unconditionally with regard to the Fund and/or sub-fund. Shareholders are advised to seek information regarding their rights.

### ***General information on trading in the fund shares***

Investing in the Fund should be regarded as a long-term commitment.

Market timing is understood to mean the technique of arbitrage whereby a shareholder systematically subscribes, exchanges and redeems shares in the Fund within a short period by exploiting time differences and/or the imperfections or weaknesses in the valuation system for calculating the Fund's net asset value. The Management Company takes the appropriate protection and/or control measures to avoid such practices. It also reserves the right to reject, cancel or suspend an order from a shareholder for the subscription or exchange of units if the shareholder is suspected of engaging in market timing.

The Management Company strictly opposes the purchase or sale of shares after the close of trading at already established or foreseeable closing prices ("late trading"). The Management Company ensures that shares will be issued and redeemed on the basis of a net asset value per share previously unknown to the shareholder. If, however, a shareholder is suspected of engaging in late trading, the Management Company may reject the subscription or redemption order until the applicant has cleared up any doubts with regard to his order.

The possibility cannot be ruled out that shares of the Fund may be traded on an official stock exchange or on other markets.

The market price underlying stock market dealings or trading on other markets is not determined exclusively by the value of the assets held in the Fund, but also by supply and demand. This market price can therefore differ from the share price.

### ***Investment policy***

The objective of the investment policy of the Investment Company is to achieve reasonable capital growth in the relevant fund currency (as defined in the corresponding Annex). Details of the investment policy can be found in the Annex to the Sales Prospectus.

The general investment principles and restrictions specified in Article 4 of the Articles of Association apply to the fund, insofar as no derogations or supplements are contained in the Annex to this Sales Prospectus for the fund.

The fund assets are invested pursuant to the principle of risk diversification within the meaning of the provisions of Part I of the Law of 17 December 2010 and in accordance with the investment policy principles and investment restrictions specified in Article 4 of the Articles of Association.

### ***Information on derivatives and other techniques and instruments***

In accordance with the general provisions governing the investment policy referred to Article 4 of the Articles of Association, to achieve the investment objectives and ensure efficient portfolio management the Management Company may make use of derivatives, securities financing transactions and other techniques and instruments that correspond to the investment objectives of the fund. The counterparties and/or financial counterparties (as defined in Article 3 (3) of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No. 648/2012 ("SFTR")), to the aforementioned transactions must be institutions subject to prudential supervision and have their registered office in an EU member state, another signatory state to the EEA Treaty or a third country whose supervisory provisions are considered by the CSSF to be equivalent to those of EU law. The counterparty or the financial counterparty must have at least one rating in the investment grade range, which may be waived, however, in justified exceptions. This may be the case, for example, if the counterparty or the financial counterparty falls under this rating after selection. In this case, the Management Company will conduct a separate audit. They must also specialise in this type of transaction. When selecting counterparties and financial counterparties for securities financing transactions and total return swaps, criteria such as legal status, country of origin and credit rating of the counterparty are taken into account. Details can be viewed free of charge on the Management Company's website referred to in the section entitled "Information for shareholders". The possibility cannot be ruled out that the counterparty or financial counterparty is a company affiliated with the Management Company or the Fund Manager/Investment Advisor. In this context, please see the chapter "Potential conflicts of interest".

Derivatives and other techniques and instruments carry considerable opportunities but also high risks. Due to the leverage effect of these products, the Fund may incur substantial losses with a relatively low level of capital employed. The following is a non-exhaustive list of derivatives, techniques and instruments that can be used for the Fund.

#### 1. Option rights

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

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

## 2. Financial futures contracts

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

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

## 3. Derivatives embedded in financial instruments

Financial instruments with embedded derivatives may be acquired for the Fund, provided that the underlying of the derivative consists of instruments within the meaning of Article 41(1) of the Law of 17 December 2010, or financial indices, interest rates, foreign exchange rates or currencies, for example. Financial instruments with embedded derivatives may consist of structured products (certificates, reverse convertible bonds, warrant-linked bonds, convertible bonds, credit linked notes, etc.) or warrants. The main feature of products included under "Derivatives embedded in financial instruments" is that the embedded derivative components affect the payment flows for the entire product. Alongside risk characteristics of transferable securities, the risk characteristics of derivatives and other techniques and instruments are also decisive.

Structured products may be used on the condition that they are transferable securities within the meaning of Article 2 of the Grand-Ducal Regulation of 8 February 2008.

## 4. Securities financing transactions

Securities financing transactions include, for example:

- Securities lending transactions
- Repurchase agreements

Securities financing transactions can be used for efficient portfolio management, e.g. to achieve the investment objective or to increase returns. They may affect the performance of the fund. This may at least temporarily increase the risk of loss of the Fund.

The types of assets used in securities financing transactions may be the types of assets that are permissible in accordance with the investment policy of the fund.

All returns generated from securities financing transactions accrue to the Fund's assets– net of all related costs including any transaction costs

However, at least 50% of the gross yield generated from securities financing transactions must accrue to the Fund's assets.

### 4.1 securities lending

A securities lending transaction is a transaction whereby a counterparty transfers securities subject to a commitment that the party borrowing the securities returns equivalent securities at a later date or at the request of the transferring party. For the counterparty transferring the transferable securities, the transaction is a securities lending transaction, and for the counterparty to which they are transferred, it is a securities borrowing transaction.

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

- aa) The fund may either lend transferable securities directly or through a standardised transferable securities lending system organised by a recognised securities settlement or clearing institution such as CLEARSTREAM and EUROCLEAR, or by a financial institution that specialises in such transactions. The fund must ensure that, at any time, it is able to recall securities transferred within the framework of securities lending and that securities lending transactions already entered into may be terminated. If the aforementioned institution is acting on its own account, it shall be considered to be the counterparty in the transferable securities lending agreement. If the fund lends its transferable securities to companies affiliated with the fund by way of common management or control, specific attention must be paid to any conflicts of interest that may arise therefrom. The fund must receive collateral in accordance with the prudential supervisory requirements in respect of the counterparty risk and collateral provision, either prior to or simultaneously with the securities lent being transferred. At maturity of the securities lending agreement, the collateral shall be remitted simultaneously or subsequently to the restitution of the transferable securities lent. Within the framework of a standardised securities lending system organised by a recognised securities settlement institution or a securities lending system organised by a financial institution which is subject to supervisory provisions that the CSSF considers to be equivalent to EU stipulations, and which specialises in this type of transaction, the transferable securities lent may be transferred before the receipt of the collateral if the intermediary (*intermédiaire*) in question assures the proper execution of the transaction. Such an intermediary may, instead of the borrower, provide the fund with collateral that meets prudential supervisory requirements regarding counterparty risk and collateral provision. In this case, the agent is contractually bound to provide the collateral.
- bb) The fund must ensure that the volume of the transferable securities lending transactions is kept to an appropriate level or that it is entitled to request the return of the transferable securities lent in a manner that enables it, at all times, to meet its redemption obligations and that these transactions do not jeopardise the management of the fund's assets in accordance with its investment policy. Up to 100% of holdings in assets that can be used in securities lending transactions may be loaned. For each completed securities lending transaction, the fund must ensure that the market value of the collaterais at least as high as the market value of the reused assets over the entire term of the lending transaction.
- cc) Receipt of appropriate collateral

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

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

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

The proportion of assets under management that are expected to be used in these transactions is 0%. This is a forecast; the actual share may differ depending on the specific sub-fund's investment policy.

#### 4.2 Repurchase agreements

The fund does not use repurchase agreements.

#### 5. Forward exchange contracts

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

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

#### 6. Swaps

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

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

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

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

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

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

A total return swap is a derivative contract as defined in Article 2, point 7 of Regulation (EU) 648/2012, in which one counterparty transfers to another the total return of a benchmark liability including income from interest and fees, gains and losses from exchange rate fluctuations, and credit losses. Total return swaps may take on various forms, e.g. asset swaps or equity swaps:

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

Total return swaps may be used within the limits of the risk management process applied. The annex specific to the fund describes which risk management process is applied.

The types of assets used in total return swaps may be those that are permissible in accordance with the investment policy of the fund.

All returns generated from total return swaps accrue to the Fund's assets– net of all related costs including any transaction costs.

The Management Company may use total return swaps for the fund for both hedging purposes and as part of the investment strategy/investment objective. This includes transactions for efficient portfolio management. This may at least temporarily increase the risk of loss of the Fund.

The proportion of assets under management that are expected to be used in these transactions is 0%. This is a forecast; the actual share may differ depending on the fund's investment policy.

## 7. Swaptions

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

## 8. Techniques for the management of credit risks

The Management Company may also use credit default swaps ("CDS") for the fund to ensure the efficient management of the fund assets.

Within the market for credit derivatives, a CDS represents the most widespread and the most quantitatively significant instrument. A CDS enables the credit risk to be separated from the underlying financial relationship. This separate trading of default risks extends the range of possibilities for systematic risk and income management. With a CDS, a protection buyer can hedge against certain risks arising from a debtor-creditor relationship by paying a periodic premium (calculated on the basis of the nominal amount) for

transferring the credit risk to a protection seller for a defined period. This premium depends, among other things, on the quality of the underlying reference debtor(s) (= credit risk). The transferred risks are defined in advance as so-called credit events. As long as no credit event occurs, the CDS seller does not have to render a performance. If a credit event occurs, the seller pays the predefined amount (such as the par value or an adjustment payment equalling the difference between the par value of the reference assets and their market value) after the credit event occurs ("cash settlement"). The buyer then has the right to tender an asset of the reference debtor which is qualified in the agreement, whilst the buyer's premium payments are stopped as of this point. The fund may act as a security provider or a secured party.

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

The commitment of the obligations arising from the CDS must not only be in the exclusive interests of the Fund, but also be in line with its investment policy. For the purpose of the investment limits in accordance with Article 4(5) of the Articles of Association, both the asset underlying the CDS and the particular issuer must be taken into account.

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

## 9. Remarks

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

The use of techniques and instruments for efficient portfolio management may give rise to various direct/indirect costs, which are charged to the fund's assets or which reduce the Fund's assets. These costs may be incurred both in relation to third parties and parties associated with the Management Company or the Depositary.

### ***Calculation of the net asset value per share***

The net fund assets of the Investment Company are denominated in euro (EUR) ("reference currency").

The value of a share ("net asset value per share") is denominated in the currency laid down in the Annex to the Sales Prospectus ("fund currency"), insofar as no other currency is stipulated for further share classes in the respective Annex to the Sales Prospectus ("share class currency").

The net asset value per share is calculated by the Management Company or a third party commissioned for this purpose by the Management Company, under the supervision of the Depositary, on each banking day in Luxembourg with the fund exception of 24 and 31 December of each year ("valuation day"). In order to calculate the net asset value per share, the value of the assets of the fund, less the liabilities of the fund ("net fund assets"), is determined on each valuation day and this is divided by the number of shares in circulation on the valuation day and rounded to two decimal places. Further details concerning the calculation of the net asset value per share are specified in Article 12 of the Articles of Association.

### ***Issue of shares***

1. Shares are issued on each valuation day at the issue price. The issue price is the net asset value per share pursuant to Article 12(4) of the Articles of Association, plus a front-end load, the maximum amount of which is listed for the fund in the respective Annex to this Sales Prospectus. The issue price can be increased by fees or other charges payable in the countries where the Fund is sold.
2. Subscription orders for the acquisition of registered shares can be submitted to the Management Company and any sales agent. The receiving agents are obliged to immediately forward all subscription orders to the Registrar and Transfer Agent is decisive. This agent accepts the subscription orders on behalf of the Management Company.

Purchase orders for the acquisition of shares certified in the form of global certificates ("bearer shares") are forwarded to the Registrar and Transfer Agent by the entity at which the subscriber holds his investment account ("reference agent"). Receipt by the Registrar and Transfer Agent ("relevant agent") is decisive.

Complete subscription orders for registered shares or purchase orders of bearer shares received by the relevant agent no later than 2:00 pm on a valuation day shall be settled at the issue price of the second following valuation day, provided the equivalent value for the subscribed shares is available. The Management Company shall ensure in all cases that the shares are issued on the basis of a net asset value per share previously unknown to the shareholder. If, however, a shareholder is suspected of engaging in late trading, the Management Company may reject the subscription order/purchase order until the applicant has cleared up any doubts with regard to his subscription order/purchase order. Complete subscription orders for registered shares or purchase orders of bearer shares received by the relevant agent after 2:00 pm on a valuation day shall be settled at the issue price of the valuation day following the second following valuation day.

If the equivalent value of the registered shares to be subscribed is not available at the time of receipt of the complete subscription order by the Registrar and Transfer Agent or if the subscription application is incorrect or incomplete, the subscription order shall be regarded as having been received by the Registrar and Transfer Agent on the date on which the equivalent of the subscribed shares is available and the subscription order is submitted properly.

The bearer shares are transferred step by step by the Registrar and Transfer Agent after accounting through payment/delivery transactions, i.e. against payment of the agreed investment amount to the agent with whom the subscriber holds his custody account..

3. The issue price is payable within two banking days of the relevant valuation day in the fund currency at the Depositary in Luxembourg.
4. The circumstances under which the issue of shares may be suspended are specified in Article 15 in conjunction with Article 13 of the Articles of Association.

### ***Redemption and exchange of shares***

1. Shareholders are entitled at all times to request the redemption of their shares at the net asset value per share pursuant to Article 12(4) of the Articles of Association, less any redemption fee

("redemption price"), if applicable. This redemption will only be carried out on a valuation day. If a redemption fee is payable, the maximum amount of this fee for the fund is listed in the Annex to this Sales Prospectus.

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

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

The Management Company may buy back shares unilaterally against payment of the redemption price if this is deemed necessary in the interests of the shareholders or for the protection of the shareholders or the fund.

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

The Management Company may reject an application for the exchange of shares within the fund, if this is deemed in the interests of the Investment Company or the fund or in the interests of the shareholders.

3. Complete orders for the redemption or exchange of registered shares may be submitted to the Management Company, the sales agents or the paying agents. The receiving agents are obliged to immediately forward the redemption or exchange orders to the Registrar and Transfer Agent.

An order for the redemption or exchange of registered shares will only be deemed complete if it contains the name and address of the shareholder, the number and/or equivalent value of the shares to be redeemed and/or exchanged, the name of the fund and the signature of the shareholder.

Complete sales orders for the redemption of bearer shares will be forwarded to the Registrar Transfer Agent by the agent with whom the shareholder holds his custody account.

Complete redemption/sales orders or complete exchange orders received by the Custodian Bank no later than 2:00 pm on a valuation day are allocated the net asset value per share of the following valuation day, less any applicable redemption fees and/or exchange fees. The Management Company shall ensure that shares are redeemed or exchanged on the basis of a net asset value per share that is not known to the shareholder in advance. Complete redemption/sales orders or complete exchange orders received by the Custodian Bank after 2:00 pm on a valuation day shall be settled at the net asset value per share of the second following valuation day, less any applicable redemption fees and/or exchange fees.

The time of receipt of the redemption/sales order or exchange order by the Registrar and Transfer Agent shall be decisive.

The redemption price is payable in the fund currency or, if there are several share classes, in the respective share class currency, within the number of bank working days specified in the Annex of the fund after the relevant valuation day. In the case of registered shares, payment is made to the account specified by the shareholder.

4. The Management Company is obliged to temporarily suspend the redemption or exchange of shares due to the suspension of the calculation of the share value.
5. Subject to prior approval from the Depositary and while preserving the interests of the shareholders, the Management Company shall only be entitled to process significant volumes of redemptions after selling corresponding assets of the fund without delay. In this case, the redemption shall be carried out at the redemption price valid at the time. The same shall apply for orders for the exchange of shares. The Management Company shall, however, ensure that the fund has sufficient liquid assets at its disposal such that, under normal circumstances, the redemption or exchange of shares may take place immediately upon application from shareholders.

### ***Risk information***

#### ***General market risk***

The assets in which the Management Company invests for the account of the fund are associated with risks as well as opportunities for growth in value. If the fund invests directly or indirectly in transferable securities and other assets, it is subject to the general trends and tendencies of the markets, particularly the transferable securities markets, which are attributable to various and partially irrational factors. Losses can occur if the market value of the assets decreases compared to the cost price. If the shareholder sells shares of the fund at a time when the market price of the fund's assets has decreased compared with the time of the share purchase, he will not get back the full amount he has invested in the fund. Despite the fact that the fund aims to achieve constant growth, this cannot be guaranteed. However, the shareholder's risk is limited to the amount invested. Shareholders are not obliged to provide any supplementary funding in addition to the money invested.

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

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

#### **Risk of negative deposit rates**

The Management Company invests the liquid assets of the Fund with the Depositary or other financial institutions on behalf of the Fund. An interest rate is agreed for some of these bank balances that corresponds to international interest rates, less an applicable margin. If these interest rates fall below the

agreed margin, this leads to negative interest rates on the corresponding account. Depending on the development of the interest rate policy of each of the central banks, short, medium and long-term bank balances may all generate a negative interest rate at banks.

### **Credit risk**

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

### **Company-specific risk**

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

### **Default risk**

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

### **Counterparty risk**

In the case of transactions not conducted via a stock exchange or a regulated market ("OTC transactions"), or securities financing transactions, there is, in addition to the default risk, the risk that the counterparty to the transaction may fail to meet its obligations or fail to do so to the fullest extent. This applies in particular to transactions that use techniques and instruments. In order to reduce the counterparty risk associated with OTC derivatives and securities financing transactions, the Management Company is authorised to accept collateral. This shall be carried out in accordance with the requirements of ESMA Guidelines 2014/937. This collateral may take the form of cash, government bonds, bonds issued by public international bodies to which one or more EU Member States belong or covered bonds. Collateral received in the form of cash may not be re-invested. All other collateral received is neither sold, reinvested nor pledged. The Management Company implements incremental valuation discounts (a "haircut strategy") for the collateral received, taking into account the specific characteristics of the collateral and the issuer. Details of the minimum haircuts applied depending on the type of collateral are shown in the following table:

<b>Collateral</b>	<b>Minimum haircut</b>
Cash (Fund currency)	0%
Cash (foreign currencies)	8%
Government bonds	0.50%
Bonds issued by public international bodies to which one or more EU Member States belong and covered bonds	0.50%

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

Collateral received by the Management Company within the framework of OTC derivatives and securities financing transactions must, inter alia, meet the following criteria:

1. Non-cash collateral should be sufficiently liquid and traded on a regulated market or a multilateral trading system.
2. The collateral will be monitored and valued daily in accordance with market value.
3. Securities which high price volatility should not be accepted without adequate haircuts (discounts).
4. The creditworthiness of the issuer should be high.
5. Collateral must be sufficiently diversified by countries, markets and issuers.
6. Any collateral which is not provided in cash must be issued by a company which is not affiliated with the counterparty.

There are no specifications for restricting the residual maturity of securities.

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

As regards the to risk diversification of the collateral received, the maximum exposure to a specific issuer may not exceed 20% of the respectivenet asset of the fund. Notwithstanding the above, Article 4(5)(h) of the Articles of Association shall apply in respect of issuer risk where collateral is received from specific issuers.

On behalf of the Fund, the Management Company may accept securities as collateral within the framework of derivatives and securities financing transactions. If these securities were pledged as collateral, they must be held in custody by the Depositary. If the Management Company has pledged the securities as collateral within the framework of derivative transactions, custody is at the discretion of the secured party.

### **Currency risk**

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

Unit classes that are not denominated in the -fund currency may therefore be subject to a different currency risk. This currency risk may be hedged against the fund currency on a case-by-case basis.**Industry risk**

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

### **Country and regional risk**

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

### **Legal and tax risk**

The legal and tax treatment of the Fund may change in unforeseeable and uncontrollable ways.

### **Country and transfer risk**

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

### **Liquidity risk**

The Fund may also acquire assets and derivatives not admitted for trading on a stock exchange, or not admitted to trading or included in another organised market. In some situations it might be impossible to sell such assets except subject to considerable discounts or delays, if at all. In some cases, even the sale of assets admitted to a stock exchange may only be possible with sizeable discounts, or not at all, depending on market conditions, volumes, time frames and planned costs. Although the Fund may only acquire assets that can generally be liquidated at any time, it is possible that these assets may temporarily or permanently only be sold at a loss.

### **Custody risk**

A risk of loss is associated with the custody of assets, which may result from insolvency or violations of due diligence on the part of the Depositary or a sub-custodian, or by external events.

### **Emerging markets risks**

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

transferable securities to be delivered immediately upon payment in such countries. The country and transfer risks described above are also significantly greater in these countries.

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

### **Inflation risk**

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

### **Concentration risk**

Additional risks may be incurred if the investments are concentrated in certain assets or markets. In these cases, events affecting these assets or markets may have a greater impact on the Fund's assets and cause comparably greater losses than would be the case with a more diversified investment policy.

### **Performance risk**

Positive performance cannot be ensured without a guarantee issued by a third party. Furthermore, assets acquired for a fund may perform differently than anticipated upon acquisition.

### **Settlement risk**

Transferable securities transactions carry the risk that one of the contracting parties delays, does not pay as agreed or does not deliver the transferable securities in good time. This settlement risk also exists with the reversal of securities for the Fund.

### **Risks associated with using derivatives and other techniques and instruments**

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

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

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

Depending on the structure of swaps, the value thereof can be affected by any future change in the market interest rate (interest rate risk), counterparty insolvency (counterparty risk) or a change in the underlying. In

principle, any future (value) changes to the underlying payment flows, assets, income or risks may lead to gains as well as losses in the Fund.

Techniques and instruments are associated with specific investment and liquidity risks.

Since the use of derivatives embedded in financial instruments can be associated with a leverage effect, the use thereof can lead to strong fluctuations – both positive and negative – in the value of the Fund' assets.

- Risks of securities lending agreements

If the Management Company lends securities for the account of the Fund, it transfers the securities to another counterparty, which, at the end of the lending agreement, returns securities of the same type, quantity and quality. For the entire duration of the agreement, the Management Company has no control over the loaned transferable securities. If the security decreases in value during the transaction and the Management Company wants to dispose of the security altogether, it must terminate the securities lending transaction and wait for the usual settlement cycle, which can create a risk of loss for the Fund.

- Risks of repurchase agreements

If the Management Company transfers securities under a repurchase agreement, then it sells the security and undertakes to repurchase it at a premium after the end of the term. The repurchase price plus premium to be paid by the seller at the end of the term will be determined upon completion of the transaction. If the transferable securities included in the repurchase agreement should depreciate in value during the course of the contract and the Management Company should wish to sell these in order to limit its losses, then it can only do so by exercising the right of early termination. Any early termination of an agreement may have financial consequences for the Fund. In addition, the premium to be paid at the end of the term may also be higher than the income that the Management Company has generated through the reinvestment of the cash received through the sale price.

If the Management Company accepts securities in under a repurchase agreement, then it purchases the security and must resell it at the end of the term. The repurchase price (plus a surcharge) shall be determined when the transaction is concluded. Securities accepted under repurchase agreements serve as collateral for the provision of liquidity to the party to the agreement. The fund does not benefit from any increases in value of securities.

### **Risks related to receiving and providing collateral**

The Management Company receives or provides collateral for OTC derivatives and securities financing transactions. The value of OTC derivatives and securities financing transactions is subject to change. There is a risk that the collateral received may no longer be enough to fully cover the entitlement of the Management Company against the counterparty for delivery or return. To minimise this risk, as part of collateral management, the Management Company shall, on a daily basis, reconcile the value of the collateral with the value of the OTC derivatives and securities financing transactions and request additional collateral in agreement with the counterparty.

This collateral may take the form of cash, government bonds, bonds issued by public international bodies to which one or more EU Member States belong or covered bonds. However, the credit institution where the cash is held might default. Government bonds and bonds issued by international bodies can decrease in value. If the transaction is cancelled, the invested collateral could no longer be fully available, despite taking haircuts into account and despite the Management Company's obligation to return it in the original amount on behalf of the Fund. To minimise this risk, as part of collateral management, the Management Company shall, on a daily basis, determine the value of the collateral and agree additional collateral if there is increased risk.

### **Risks associated with target funds**

The risks of target fund units acquired for the fund are closely connected with the risks of the assets in such target funds and/or the investment strategies pursued by them. However, these risks may be reduced by diversifying the assets in the investment funds whose units are acquired, as well as through diversification within this fund itself.

Since the managers of these individual target funds act independently of each other, it is possible for several target funds to act according to the same or opposite investment strategies. This may result in existing risks being built up and possible opportunities cancelling each other out.

The Management Company is not normally in a position to control the management of target funds. Their investment decisions do not necessarily have to conform to the assumptions or expectations of the Company.

Often, the Management Company may not be completely up-to-date on the current composition of the target funds. In the event that this composition does not meet the Management Company's assumptions or expectations, it may, where applicable, only be able to react with considerable delay by way of redeeming units of the target funds.

Open-end investment funds, units of which are acquired for the Fund, may also temporarily suspend the redemption of units. The Management Company would then be prevented from disposing of the units in the target fund by returning them to the Management Company or depositary of the target fund against payment of the redemption price.

Furthermore, fees may be incurred at the level of the target fund upon the acquisition of target fund units. This would result in double charging when investing in target funds.

### **Risk of redemption suspension**

Shareholders may, in principle, request the redemption of their shares from the Management Company on any valuation day. However, the Management Company may temporarily suspend the redemption of shares under extraordinary circumstances and buy back the shares at a later point at the price valid at that time (see Article 13 of the Articles of Association entitled "Suspension of calculation of net asset value per share" and Article 16 of the Articles of Association entitled "Redemption and exchange of shares"). This price may be lower than the price before the suspension of redemption.

The Management Company may also be forced to suspend the redemption of units/shares, particularly if the fund whose units were acquired for the fund suspend(s) the redemption of their units/shares, and such units/shares make up a significant proportion of the fund's net assets.

## **Potential conflicts of interests**

The Management Company, its employees, representatives and/or associated companies may act as a member of the Board of Directors, Investment Adviser, Fund Manager, Central Administration Agent, Registrar and Transfer Agent or as any other service provider on behalf of the Fund. The role of the Depositary or sub-custodian entrusted with depositary functions can also be carried out by an associated company of the Management Company. If there is an association between the Management Company and the Depositary, they shall have appropriate structures to avoid any conflicts of interest arising from this association. If conflicts of interest cannot be avoided, the Management Company and the Depositary shall identify, manage, monitor and disclose these conflicts. The Management Company is aware that conflicts of interest may arise as a result of the various activities it carries out with respect to the management of the Fund. In accordance with the Law of 17 December 2010 and the applicable administrative provisions of the CSSF, the Management Company has put in place adequate and appropriate organisational structures and control mechanisms. In particular, it acts in the best interest of the Fund. The potential conflicts of interest arising from the delegation of tasks are described in the principles for handling conflicts of interest. These can be found on the Management Company's website ([www.ipconcept.com](http://www.ipconcept.com)). If a conflict of interest arises that adversely affects the interests of the investors, the Management Company shall disclose the general nature and/or sources of the existing conflict of interest on its website. When outsourcing tasks to third parties, the Management Company ensures that the third parties have taken the necessary measures for complying with all requirements pertaining to organisational structure and the prevention of conflicts of interest, as set forth in the applicable Luxembourg laws and regulations, and that these third parties monitor compliance with these requirements.

## **Risk profile**

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

### **Risk profile - Security-oriented**

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

### **Risk profile - Conservative**

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

### **Risk profile - Growth-oriented**

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

#### Risk profile - Speculative

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

#### **Risk-management process**

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

- Commitment approach:

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

- Value-at-risk (VaR) approach:

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

- Relative VaR approach:

With the relative VaR approach, the VaR of the Fund must not exceed the VaR of a reference portfolio by more than a factor dependent on the amount of the Fund's risk profile. The maximum permissible factor specified by the supervisory authority is 200%. The reference portfolio is essentially an accurate reflection of the Fund's investment policy.

- Absolute VaR approach:

With the absolute VaR approach, the VaR (99% confidence level, 20-day holding period) of the Fund may not exceed a portion of the Fund's assets dependent on the Fund's risk profile. The maximum permissible factor specified by the supervisory authority is 20% of the Fund's assets.

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

### ***Taxation of the Investment Company***

The Company's assets are not subject to taxation on their income and profits in the Grand Duchy of Luxembourg. The Company's assets are only subject to the "*taxe d'abonnement*" currently amounting to 0.05% p.a. A reduced "*taxe d'abonnement*" of 0.01% p.a. is applied to (i) the fund or share classes, the shares of which are issued exclusively to institutional shareholders within the meaning of Article 174 of the Law of 17 December 2010, (ii) sub-funds whose sole purpose is to invest in money market instruments, in time deposits with credit institutions or both. The *taxe d'abonnement* is payable quarterly, based on the Company's net assets reported at the end of each quarter. The amount of the *taxe d'abonnement* is specified for fund or share class in the relevant Annex to the Sales Prospectus. An exemption from the "*taxe d'abonnement*" applies, inter alia, to the extent that the fund assets are invested in other Luxembourg investment funds, which in turn are already subject to the *taxe d'abonnement*.

Income received by the Fund (in particular interest and dividends) may be subject to withholding or investment tax in the countries in which the fund assets are invested. The Fund may also be taxed on realised or unrealised capital gains of its investments in the source country. Neither the Depositary nor the Management Company are obliged to collect tax certificates.

Interested parties and investors are recommended to find out about laws and regulations which are applied to the taxation of corporate assets, the subscription, the purchase, the ownership, the redemption or the transfer of shares and to call on the advice of external third parties, especially a tax adviser.

### ***Taxation of income from shares in the Investment Company held by the shareholder***

Shareholders who are or were not resident in the Grand Duchy of Luxembourg for tax purposes and have no permanent establishment or permanent representative there are not subject to Luxembourg income tax on their income or capital gains from their shares in the Fund.

Natural persons who are resident in the Grand Duchy of Luxembourg for tax purposes are subject to progressive Luxembourg income tax.

Companies that are resident in the Grand Duchy of Luxembourg for tax purposes are subject to corporation tax on the income from the fund units.

Interested parties and investors are recommended to find out about laws and regulations which are applied to the taxation of corporate assets, the subscription, the purchase, the ownership, the redemption or the transfer of shares and to call on the advice of external third parties, especially a tax adviser.

### ***Publication of the net asset value per share and the issue and redemption price***

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

### ***Information for shareholders***

Information (particularly notices to shareholders) is published on the Management Company's website ([www.ipconcept.com](http://www.ipconcept.com)). In addition, notices will be published in the Grand Duchy of Luxembourg in the "RESA" and in the "Tageblatt", where required by law, and also, if required, in another daily newspaper that has sufficient circulation.

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

- Articles of Association of the Management Company,
- Articles of Association of the Investment Company,
- Management Agreement,
- Registrar and Transfer Agent and Paying Agent functions;
- Fund management agreement.

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

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

If the loss of a deposited financial instrument is determined, the Management Company shall inform the investor immediately through the use of a durable medium. Refer to Article 37(12) of the Articles of Association for more information.

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

Shareholders may address questions, comments and complaints to the Management Company by post or via e-mail. Information on the complaint procedure can be downloaded free of charge from the Management Company's website ([www.ipconcept.com](http://www.ipconcept.com)).

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

The Management Company has determined and applies remuneration policies and practices that comply with the legal requirements, in particular the principles listed in Article 111ter of the Law of 17 December 2010. These practices and policies are compatible and consistent with the risk-management process defined by the Management Company and neither encourage the acceptance of risks that are incompatible with the risk profiles and the Articles of Association of the Fund under its management nor prevent the Management Company from acting at its own discretion in the best interests of the Fund.

The remuneration policies and practices include fixed and variable portions of salaries and voluntary pension benefits.

The remuneration policies and practices apply to categories of employees, including senior management, risk bearers, employees with oversight functions and employees whose overall remuneration places them in the same income bracket as senior management and risk bearers, whose activities have a material influence on the risk profiles of the Management Company or the funds under its management.

The remuneration policies and practices are compatible with sound and effective risk management and are consistent with the business strategy, the objectives, values and interests of the Management Company and of the UCITS under its management and investors in such UCITS. Compliance with the remuneration principles, including the implementation thereof, shall be verified once a year. Fixed and variable components of the total remuneration are appropriately balanced, whereby the proportion of the fixed component of the total remuneration is high enough to provide complete flexibility with regard to the variable remuneration components, including the possibility of waiving the payment of a variable component. Performance fees are based on employees' qualifications and skills as well as their level of responsibility and contribution towards the Management Company's added value. Where applicable, performance is assessed under a multi-year framework that is appropriate for the holding period recommended to investors in the UCITS managed by the Management Company. This ensures that the assessment is based on the longer-term performance of the UCITS and its investment risks and that the actual payment of performance-related remuneration components is spread over the same period. The pension scheme is consistent with the business strategy, the objectives, values and long-term interests of both the Management Company and the UCITS under its management.

Details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identities of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, may be downloaded free of charge from the Management Company's website ([www.ipconcept.com](http://www.ipconcept.com)). A hard copy will be made available free of charge to shareholders on request.

### ***Information for shareholders with regard to the United States of America***

The shares of the Investment Company are not, have not been and will not be authorised in accordance with the latest version of the U.S. Securities Act of 1933 (the "Securities Act") or the stock market

regulations of individual federal states or local authorities of the United States of America or its territories or possessions either in the ownership or under the jurisdiction of the United States of America, including the Commonwealth of Puerto Rico (the "United States"), or otherwise registered or transferred, offered or sold directly or indirectly to or in favour of a U.S. person, as defined in the Securities Act.

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

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

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

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

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

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

The Fund's share classes may be either subscribed to by:

1. shareholders via a FATCA-compliant independent intermediary (nominee), or
2. directly and indirectly via a sales agent (which only serves as an intermediary and does not act as a nominee) with the exception of:
  - Specified U.S. persons  

This shareholder group includes those U.S. persons who are classified by the United States government as at risk with regard to tax avoidance and tax evasion practices. However this does not affect, inter alia, listed companies, tax-exempt organisations, real estate investment trusts (REITs), trusts, U.S. securities dealers or similar entities.
  - Passive non-financial foreign entities (or passive NFFE), whose substantial ownership is held by a U.S. person

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

- Non-participating financial institutions

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

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

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

### ***Information for shareholders with respect to the automatic exchange of information***

The automatic exchange of information pursuant to intergovernmental agreements and Luxembourg regulations (Law of 18 December 2015 transposing the automatic exchange of financial account information in tax matters) is transposed via Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation, and the Common Reporting Standard, a reporting and due diligence process developed by the Organisation for Economic Co-operation and Development (OECD) for the international, automatic exchange of financial account information. The automatic exchange of information is transposed into Luxembourg law for the first time in the 2016 tax year.

For this purpose, reportable financial institutions provide information on applicants and reportable registers annually to the Luxembourg tax authorities (Administration des Contributions Directes in Luxembourg), which in turn forwards it to the tax authorities of the countries in which the applicant(s) is/are resident for tax purposes.

In particular, this involves the notification of:

- the name, address, tax identification number, country of domicile, date and place of birth of the each person subject to reporting obligations,
- register number,
- register balance or value,
- credited capital gains, including sales proceeds.

Reportable information for a specific tax year, which must be submitted to the Luxembourg tax authority by 30 June of the following year, shall be exchanged by 30 September of that year between the relevant financial authorities and for the first time in September 2017, based on the data for 2016.

### ***Combating money laundering***

Pursuant to international regulations and the Luxembourg laws and regulations and including, but not limited to, the Law of 12 November 2004 on combating money laundering and the financing of terrorism, the Grand-Ducal Regulation of 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and CSSF circulars CSSF 13/556, CSSF 15/609, CSSF 17/650 and CSSF 17/661 relating to combating money laundering and the financing of terrorism, as well as all amendments thereto or subsequent regulations, all obligated parties are required to prevent undertakings for collective investment from being misused for the purposes of money laundering and financing terrorism. The Management Company or a third party commissioned by it may require an applicant to provide any document it considers necessary for establishing identity. The Management Company (or a third party commissioned by it) may also request any other information it needs to comply with the applicable statutory and regulatory provisions, including, but not limited to, the CRS and FATCA Law.

If an applicant does not provide the required documents in good time, in full or at all, the subscription order shall be rejected. With redemptions, incomplete documentation can delay payment of the redemption price. The Management Company is not responsible for delayed processing or failed transactions if the applicant has not provided the documents, in good time, in full or at all.

The Management Company (or a third party commissioned by it) may from time to time require investors to provide additional or updated documents relating to their identity in accordance with the applicable laws and provisions relating to their obligations to continuously monitor and check their customers. If these documents are not produced promptly, the Management Company is obliged and entitled to block the Fund units of the investors in question.

In order to implement Article 30 of Directive (EU) 2015/849 of the European Parliament and of the Council, what is referred to as the 4th EU Money Laundering Directive, the Law of 13 January 2019 on the establishment of a register of beneficial owners was adopted. This requires registered legal entities to report their beneficial owners to the register set up for this purpose.

As a "registered legal entity", investment companies and investment funds are also legally defined in Luxembourg.

For example, the beneficial owner as defined in the Law of 12 November 2004 is usually any natural person who holds or otherwise controls more than 25% of the shares or units of a legal entity.

Depending on the specific situation, this could lead to the end investors of the investment company or the investment fund having to be reported to the register of beneficial owners by name and further personal details. The following data of a beneficial owner can be viewed free of charge by anyone on the website of the "Luxembourg Business Registers" from 1 September 2019: Name, surname(s), nationality (nationalities), date and place of birth, country of residence and nature and extent of economic interest. The public inspection can only be limited after a case-by-case examination subject to a fee in exceptional circumstances.

### ***Data protection***

Personal data is processed in accordance with the European Parliament and Council Regulation (EU) 2016/679 of 27 April 2016 relating to the protection of natural persons during the processing of personal data, the free movement of data and repealing the Directive 95/46/EC ("General Data Protection

Regulation”) and the data protection law applicable in Luxembourg (including, but not restricted to the amended Law of 2 August 2002 relating to the protection of personal data during the data processing).

Thus, personal data provided in connection with investment in the Fund may be stored and processed on a computer by the Management Company on behalf of the Fund and by the Depositary acting as data controllers.

Personal data will be processed to process subscription and redemption orders, maintain the unit register, carry out the tasks of the above-mentioned parties and comply with applicable laws and regulations, in Luxembourg and other jurisdictions, including, but not limited to, applicable company law, laws and regulations to combat money laundering and the financing of terrorism, and tax law, such as FATCA (Foreign Account Tax Compliance Act), (CRS) Common Reporting Standard or similar laws and regulations (e.g. at OECD level).

Personal data shall only be made available to third parties if this is necessary for justified business interests, to exercise or defend legal claims before the courts, or if laws or regulations make such transmission compulsory. This can include disclosure to third parties such as government or supervisory authorities, including tax authorities and auditors in both Luxembourg and other jurisdictions.

Apart from the above-mentioned cases, in principle no personal data shall be transmitted to countries outside the European Union or the European Economic Area.

In subscribing to and/or holding units, investors – at least implicitly – give their consent to their personal data being processed as described above, and in particular to such data being disclosed to and processed by the above-mentioned parties, including affiliated companies in countries outside the European Union which may not provide the same protection as Luxembourg data protection law.

In this respect, investors acknowledge and accept that failure to transmit personal data required by the Management Company as part of their existing relationship with the Fund can prevent their continued involvement with the Fund and can lead to the Management Company reporting them to the competent Luxembourg authorities.

In this respect, investors acknowledge and accept that the Management Company will report all relevant information related to their investment in the Fund to the Luxembourg tax authorities, which will share this information with the competent authorities of the relevant countries or other approved jurisdictions pursuant to the CRS Law or corresponding European and Luxembourg legislation as part of an automatic procedure.

Where the personal data provided in relation to investment in the Fund include the personal data of the investor's (deputy) representatives, signatories or financial beneficiaries, it will be assumed that the investor has obtained the consent of those affected to their personal data being processed as described above, and in particular to their data being disclosed to and processed by the above-mentioned parties, including parties in countries outside the European Union which may not provide the same protection as Luxembourg data protection law.

In accordance with applicable data protection law, investors may request access to and rectification and deletion of their personal data. Such requests must be sent in writing to the Management Company. It will be assumed that investors will have informed the (deputy) representatives, signatories or financial beneficiaries whose personal data is processed of these rights.

Since the personal data are transmitted electronically and are available outside Luxembourg, the same level of confidentiality and protection as currently afforded by applicable data protection law in Luxembourg cannot be guaranteed as long as the personal data is located abroad, even if the above-mentioned parties have taken appropriate measures to ensure the confidentiality of such data.

Personal data will only be kept until the reason for processing the data is fulfilled, all the while observing the applicable statutory minimum retention periods

## Appendix

### Vietnam Emerging Market Fund SICAV

#### Investment objectives and strategy

The objective of the investment policy of Vietnam Emerging Market Fund SICAV ("Fund") is to achieve a reasonable performance in due consideration of the investment risk. To achieve its investment objective, the Vietnam Emerging Market Fund SICAV will invest in existing and newly issued securities of listed or unlisted companies that are based in Vietnam or that have substantial operations, sales or asset exposure linked to the economy, assets or currency of Vietnam. The Fund shall seek to make investments in companies believed by the Fund Manager to have good management, sound fundamentals and attractive valuations that are relative to the investment risks assumed. In addition, the Fund's assets may be invested for varying periods of time in money markets, debt securities issued by Vietnamese government and administrative entities, by Vietnamese companies or by companies established in jurisdictions other than Vietnam which have significant operations in Vietnam.

The fund is actively managed. The fund manager chooses, regularly reviews and, if necessary, adjusts the composition of the portfolio in accordance with the criteria specified in the investment policy.

The performance of the different shareclasses of the Fund shall be indicated in the relevant "Key Investor Information Document". **As a general rule, past results offer no guarantee of future performance.**

#### Investment policy

Subject to Article 4 of the Articles of Association, the following provisions shall apply to the Fund:

In principle, the Fund is able to invest in equities, bonds, money market instruments and fixed-term deposits, depending on the market situation and assessment on the part of the Fund management.

The Fund invests at least 51% of its net fund assets in equities of listed companies that are domiciled in Vietnam or have substantial operations, sales or asset exposure linked to the economy of Vietnam. The fund invests up to 10% of its net fund assets in equities of unlisted companies. In general, a maximum of 49% of the net assets of the fund may be invested in liquid assets. However, depending on the market position, the net assets of the fund may also be held in liquid assets subject to the legally permissible (short-term) limits and an exception to these is permitted. In addition, depending on the assessment of the market situation, a short-term exception to the abovementioned investment focal points is permitted and investment in liquid assets is permitted if, in such case, the investment focus is, on the whole, adhered to when including the liquid assets.

The Fund is not allowed to invest its net assets in units of undertakings for collective investment in transferable securities (UCITS) and undertakings for collective investment (UCIs) as defined in article 41 (1) e) of the Law of 17 December 2010 ("Target Funds").

The use of derived financial instruments ("**derivatives**") is not allowed to the Fund.

The Management Company will not conduct total return swaps or other derivatives with the same characteristics for the fund.

## Risk profile of the Fund

Risk profile - Speculative

The Fund is appropriate for speculative investors. Due to the composition of the net fund assets, there is a very high degree of risk but also a very high degree of profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as market interest rate risks.

Relative VaR approach:

The relative VaR approach is used for monitoring and measuring the global exposure associated with positions of the Fund's portfolio. The corresponding reference portfolio is composed of 100% of the HO CHI MINH STOCK INDEX. The expected level of leverage, calculated using the sum of the notionals (total of the nominal values of all relevant derivatives), was estimated at 0% of the fund's volume. The reference portfolio is dependent on the portfolio allocation and can be adapted accordingly in the event of regrouping. This may entail updating the Sales Prospectus.

Share classes:	A	B	C	D
ISIN:	LU1042536018	LU1042536281	LU1218444351	LU1218444435
Securities number:	A1XE8U	A1XE8V	A14RPQ	A14RPR
Fund currency:	EUR			
Share class currency:	EUR	EUR	USD	USD
Share price at initial subscription:	1,000.- EUR	1,000.- EUR	1,000.- USD	1,000.- USD
Initial subscription period:	16 June 2014 – 18 June 2014	16 June – 18 June 2014	1st June – 3rd June 2015	1st June – 3rd June 2015
Valuation day:	On each banking day in Luxembourg, excluding 24 and 31 December of a given year	On each banking day in Luxembourg, excluding 24 and 31 December of a given year	On each banking day in Luxembourg, excluding 24 and 31 December of a given year	On each banking day in Luxembourg, excluding 24 and 31 December of a given year
Close of the Fund's financial year: For the first time:	31 December 31 December 2014			

Fund's Annual Report/Semi-annual Report:	31 December / 30 June			
First Semi-annual Report (unaudited):	30 June 2014			
First Annual Report (audited):	31 December 2014			
Type of certificates:	Bearer shares are securitised via global certificates			
Denominations:	Bearer shares shall be allocated up to three decimal places			
Minimum initial investment: *	500,000.- EUR	1,000.- EUR	500,000.- USD	1,000.- USD
Minimum subsequent investment:	100,000.- EUR	1,000.- EUR	100,000.- USD	1,000.- USD
Savings plans for bearer shares which are contained in a bank custody account:	You can obtain information from the institution that maintains your custody account.			
Withdrawal plans for bearer shares which are contained in a bank custody account:	You can obtain information from the institution that maintains your custody account.			
Taxe d'abonnement:	0.05% p.a.			

\*The Management Company is authorised to accept lower amounts at its discretion.

The Fund has been established for an indefinite period. The Management Company may at its discretion also allow lower minimum investments.

## **Costs reimbursed from the Fund assets:**

### **1. Management fee**

For the management of the Fund, the Management Company and the Fund Manager receives a combined fee of up to 1.62% p.a. (plus VAT) of the Fund's net assets for share classes A and C (each) as well as a fee of up to 2.12% p.a. (plus VAT) of the Fund's net assets for share classes B and D (each). These fees are calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month. In addition, the Management Company receives a fixed monthly fee of up to EUR 1,000 (plus VAT) payable at the end of the month.

The following rule enters into force effective 1<sup>st</sup> January 2015:

In addition, the Fund Manager shall receive a performance fee of 18% of the outperformance if the actual unit gross value exceeds a defined minimum value (hurdle amount) and the actual unit value at the financial year-end is higher than the highest unit value at the end of the previous financial years and higher than the initial unit value at inception (high water mark principle).

The hurdle rate is 5% p.a.

The defined minimum value (hurdle amount) is the currently valid High Water Mark plus the hurdle rate of 5% p.a. pro rata on each calculation day on the respective past days in the calculation period of the currently valid High Water Mark.

High water mark principle: on the launch of the Fund, the high water mark is identical to the initial unit value. If the unit value on the last valuation day of a subsequent financial year is above the high water mark, the high water mark is set to the calculated unit value on the last valuation day of the financial year. In all other cases, the high water mark remains unchanged.

The performance is calculated on each valuation date by the difference of the actual unit gross value (that means unit value only without deducting the relevant Performance Fee) and the defined minimum unit value. This difference is multiplied with the average units in circulation during the financial year and multiplied with the performance fee rate.

If there are different unit classes in the Fund, the unit value per unit class is used as a basis for the calculation. To determine unit gross value, any dividend payments made in the meantime may be taken into account, i.e. these are calculated by the actual unit value, less the distribution.

Beginning with the start of each financial year, the performance fee is calculated on each valuation day on the basis of the unit gross value mentioned above, the average units in circulation during the financial year and the highest unit value of the previous financial year end (high water mark). On the valuation days on which the unit value is greater than the defined minimum value (hurdle amount) (out-performance), while the current unit value exceeds the high water mark, the accrued total amount changes pursuant to the method presented above. On the valuation days on which the unit value is lower than the defined minimum value (hurdle amount) or the current unit value is lower than the high water mark, the accrued total amount is eliminated. As a basis of calculation, the data of the previous valuation day (at financial year end on the same day) are used.

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

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

These fees are subject to the addition of any value added tax.

## 2. Depositary fee

For fulfilling its responsibilities arising from the net fund assets, the Depositary receives a fee of up to 0.07% p.a. (plus VAT) of the Fund's net assets, but at least EUR 1,500 (plus VAT) per month. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid out monthly in arrears on the last day of the month.

## 3. Central Administration Agent Fee

For the fulfilment of its responsibilities, the Central Administration Agent receives a fee of up to 0.03% p.a. (plus VAT) of the Fund's net assets. This fee is calculated on a pro rata basis based on the Fund's average net assets during the calendar month and paid in arrears at the end of each month. In addition, the Central Administration Agent receives a monthly basic fee of up to EUR 1,450 (plus VAT) payable at the end of the month.

## 4. Registrar and transfer agent fee

For the fulfilment of its responsibilities, the Registrar- and Transfer Agent receives a monthly basic fee of up to EUR 250 (plus VAT). This fee is calculated and paid in arrears at the end of each calendar year.

## 5. Additional costs

In addition, the Fund's assets can be charged with the costs listed in Article 33 of the Articles of Association.

### Costs to be charged to the investors

	Share Class A	Share Class B	Share Class C	Share Class D
Front-load fee: (in favour of the fund manager and relevant agent)	0%	Up to 1.5%	0%	Up to 1.5%
Redemption fee: (in favour of the fund)	0%	0%	0%	0%

**Utilisation of income**

The income of the Fund will be reinvested.

Detailed information on the use of income is usually available on the website of the Management Company: [www.ipconcept.com](http://www.ipconcept.com).

**Articles of Association  
of  
Vietnam Emerging Market Fund SICAV**

**1. Name, registered office and purpose of the Investment Company**

***Article 1 Name***

An Investment Company in the form of a company limited by shares shall herewith be formed as a “*Société d’investissement à capital variable*” under the name **Vietnam Emerging Market Fund SICAV** (“Investment Company”). The Investment Company is a single-construction.

***Article 2 Registered office***

The registered office of the Investment Company is in Strassen in the Grand Duchy of Luxembourg.

On the basis of a simple resolution by the Board of Directors of the Investment Company (“Board of Directors”), the registered office of the Investment Company may be relocated to another place within the district of Strassen. Furthermore, the Company may set up branches and other offices in other locations both within the Grand Duchy of Luxembourg and abroad.

In the event of an existing or the impending threat of a political or military nature or any other emergency brought about by force majeure outside the control, responsibility and sphere of influence of the Investment Company and if this situation has a detrimental impact on the daily business of the company or influences transactions between the location of the registered office of the company and other locations abroad, the Board of Directors shall be entitled by way of majority decision to temporarily relocate the registered office of the company abroad for the purpose of re-establishing normal business relations. However, in this case the Investment Company shall retain the Luxembourg nationality.

***Article 3 Purpose***

1. The exclusive purpose of the Investment Company is the investment in securities and/or other permissible assets in accordance with the principle of risk diversification pursuant to Part I of the Law of the Grand Duchy of Luxembourg dated 17 December 2010 relating to undertakings for collective investment (“Law of 17 December 2010”), with the aim of achieving a reasonable performance to the benefit of the shareholders by following a specific investment policy.
2. Taking into consideration the principles set out in the Law dated 17 December 2010 and the Law dated 10 August 1915 concerning commercial companies (including subsequent amendments and supplements) (“Law of 10 August 1915”), the Investment Company may carry out all transactions that are necessary or beneficial for the fulfilment of the Company’s purpose.

***Article 4 General investment principles and restrictions***

The aim of the investment policy of the fund is to achieve reasonable capital growth in the fund currency fund (as defined in Article 12(1) of these Articles of Associations in conjunction with the relevant Annex to

this Sales Prospectus). Details of the investment policy of the fund are described in the Annex to this Sales Prospectus.

The following general investment principles and restrictions apply to the fund, insofar as no derogations or additional provisions are contained in the Annex to this Sales Prospectus for the fund.

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

The fund may buy and sell only those assets that can be valued in accordance with the valuation criteria set out in Article 12 of these Articles of Association.

Definitions:

(a) "regulated market"

A regulated market is a market for financial instruments within the meaning of Article 4(21) of Directive 2014/65/EU of the European Parliament and Council dated 15 May 2014 on markets for financial instruments as well as amending Directives 2002/92/EC and 2011/61/EU.

(b) "transferable securities"

The term "transferable securities" denotes:

shares or other securities equivalent to shares (hereinafter "shares"),

bonds or other forms of securitised debt (hereinafter "debt instruments"),

all other marketable transferable securities giving the right to acquire transferable securities via subscription or exchange.

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

(c) "Money market instruments"

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

(d) "UCI"

Undertakings for collective investment

(e) "UCITS"

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

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

2. Only the following may be acquired:

- a) transferable securities and money market instruments that have been admitted to a regulated market as defined in Directive 2014/39/EC or are traded thereon;
- b) transferable securities and money market instruments that are traded on another regulated market in an EU Member State ("Member State") which is recognised, open to the public and operates regularly;
- c) transferable securities and money market instruments that are officially listed on a stock exchange in a non-Member State of the European Union or traded on another regulated market of a non-Member State of the European Union which is recognised, open to the public and whose manner of operation is in accordance with the regulations;
- d) recently issued transferable securities and money market instruments, provided their terms of issue include an undertaking that an application will be made for admission to official listing to a stock exchange or another regulated market which is recognised, open to the public and operates regularly and that this admission is secured within one year of the issue date.

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

- e) units in undertakings for collective investment in transferable securities ("UCITS") may be acquired, which have been approved in accordance with Directive 2009/65/EC, and/or other undertakings for collective investment ("UCI") within the meaning of Article 1(2)(a) and (b) of Directive 2009/65/EC, irrespective of whether they are established in a Member State, provided that:
  - such UCI are authorised under laws which provided that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in Community law, and that cooperation between authorities is sufficiently ensured;
  - the level of protection for shareholders in these UCIs is equivalent to that provided to shareholders in a UCITS, and particularly the provisions concerning the separate safekeeping of assets, borrowing, granting credit and short sales of securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC,
  - the business of the UCI is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
  - no more than 10% of the assets of the UCITS or of the other UCIS, whose acquisition is contemplated, may, according to their fund rules or instruments of incorporation, be invested in aggregate in units of other UCITS or other UCIs.
- (f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the credit institution has its registered office in a third country, provided that it is

subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in Community law;

(g) derivative financial instruments ("derivatives"), including equivalent cash-settled instruments, traded on a regulated market referred to in (a), (b) or (c) or derivative financial instruments traded over the counter ("OTC derivatives"), provided that:

- the underlying of the derivative consists of instruments within the meaning of Article 41(1) of the Law of 17 December 2010, or financial indices, interest rates, foreign exchange rates or currencies in which the fund may invest according to its investment objectives as stated in these Articles of Association;
- the counterparties to OTC derivative transactions are institutions subject to official prudential supervision, and belonging to the categories approved by the CSSF; and
- the OTC derivatives are subject to a reliable and verifiable assessment on a daily basis and can at any time, at the Investment Company's initiative, be sold, liquidated or closed-out by a transaction at a reasonable current value.

h) money market instruments other than those traded on a regulated market, which fall under Article 1 of the Law of 17 December 2010, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, provided that they are:

- issued or guaranteed by a central, regional or local authority or the central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third country or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong;
- issued by an undertaking, any securities of which are traded on regulated markets referred to in (a), (b) or (c) of this Article;
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by Community law;
- issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second or third bullet points and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with Fourth Council Directive 78/660/EEC, which is an entity which, within a group of companies that includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles that benefit from a banking liquidity line.

3. However, up to 10% of the net assets of the fund may be invested in transferable securities and money market instruments other than those mentioned in point 2 of this Article.

#### 4. Techniques and instruments

(a) Under the conditions and within the limits set out by the Luxembourg supervisory authority, the fund may employ techniques and instruments stated in the Sales Prospectus, provided that such techniques and instruments are used to ensure the efficient management of the fund's assets. If these operations concern the use of derivative instruments, the conditions and limits must comply with the Law of 17 December 2010.

Moreover, when making use of techniques and instruments, the fund is not permitted to diverge from the investment policy as set out in the Annex to the Sales Prospectus.

(b) The Management Company is required to employ a risk management process in accordance with Article 42(1) of the Law of 17 December 2010 enabling it to monitor and measure at any time the risk connected with the investment holdings as well as their contribution to the overall risk profile of the investment portfolio. The Management Company must ensure that the overall risk of managed funds associated with derivatives does not exceed the total net value of their portfolios. In particular, it shall not solely or mechanistically rely on credit ratings issued by credit rating agencies as defined in Article 3(1)(b) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, for assessing the creditworthiness of the Fund assets. The process used for the corresponding Fund to measure risk, as well as any additional, more detailed information is stated in the relevant Annex for the fund.

As part of its investment policy and within the limits laid down by Article 43(5) of the Law of 17 December 2010, the fund may be invested in derivatives as long as the exposure to the underlying assets does not exceed in aggregate the investment limits in Article 43 of the Law of 17 December 2010. Should the Fund invest in index-based derivatives, such investments will not be taken into account in connection with the investment limits referred to in Article 43 of the Law of 17 December 2010. If a derivative is embedded in a security or money market instrument, it must be taken into account with regard to compliance with Article 42 of the Law of 17 December 2010.

The Management Company may, on behalf of the Investment Company, make all necessary arrangements and, with the consent of the Depositary, impose all necessary additional investment restrictions in order to comply with the conditions in countries in which shares are to be sold.

#### 5. Risk diversification

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

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

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

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

Notwithstanding the individual upper limits listed under (a), investments may be made up to a maximum of 20% of the fund's assets in a single body in a combination of

- transferable securities or money market instruments issued by that body and/or
  - deposits made with that body and/or
  - OTC derivatives acquired from that body.
- c) The investment limit of 10% of the net fund assets referred to in point 5(a), first sentence, of this Article shall be increased to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or other public international bodies to which one or more Member States belong.
- d) The investment limit of 10% of the net fund assets referred to in point 5(a), first sentence, of this Article shall be increased to 25% if bonds are issued by a credit institution that has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attached to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

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

- e) The restriction of the total value to 40% of the respective net fund assets set out in point 5(b), first sentence, of this Article does not apply in the cases referred to in (c) and (d).
- f) The investment limits of 10%, 25% and 35% of the net fund assets set out in point 5(a)–(d) of this Article must not be combined, and thus investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments transacted with this body shall not exceed a total of 35% of the net fund assets.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in Council Directive 83/349/EEC of 13 June 1983 on the basis of Article 54(3)(g) of the Treaty on consolidated accounts (OJ L 193, 18 July 1983, p. 1) or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits contained in point 5(a)–(f) of this Article.

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

- g) Without prejudice to the investment limits laid down in Article 48 of the Law of 17 December 2010, the Management Company may raise the limits laid down in Article 43 of the Law of 17 December 2010 to a maximum of 20% of the net fund assets for investments in shares or debt securities issued by the same body when the aim of the fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the Luxembourg supervisory authority, on the following basis :
- its composition is sufficiently diversified;
  - the index represents an adequate benchmark for the market to which it refers; and
  - it is published in an appropriate manner.

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

If the Investment Company makes use of this option, it will be stated for the fund in the Annex to this Sales Prospectus.

- h) **Notwithstanding the conditions set forth in Article 43 of the Law of 17 December 2010 and whilst simultaneously observing the principle of risk diversification, up to 100% of the net fund assets may be invested in transferable securities and money market instruments issued or guaranteed by an EU Member State, its local authorities, an OECD Member State or international bodies to which one or more EU Member States belong. The respective net fund assets must hold transferable securities from at least six different issues, but transferable securities from any single issue must not exceed 30% of the respective net fund assets.**
- i) The fund does not invest more than 10% of its net assets in UCITS or UCIs pursuant to point 2(e) of this Article, unless otherwise stipulated in the specific Annex to the Sales Prospectus for the fund. Insofar as the investment policy of the fund provides for an investment of more than 10% of the net fund assets in UCITS or UCI pursuant to point 2(e) of this Article, points (j) and (k) below shall apply.
- j) The fund may not invest more than 20% of its net fund assets in units of a single UCITS or a single UCI pursuant to Article 41(1)(e) of the Law of 17 December 2010.

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

- k) The fund may not invest more than 30% of its net assets in other UCIs than UCITS.

If the fund has acquired units of another UCITS and/or other UCIs, the assets of the UCITS or other UCI in question are not taken into account in respect of the upper limits referred to in point 5(a)–(f).

- l) If units of another UCITS and/or units of other UCIs managed directly or on the basis of a transfer are acquired by the same management company as the Investment Company (where applicable), or a company with which this management company is connected through common management or control or a significant direct or indirect participation of more than 10% of the capital or votes, no fees may be charged for the subscription or redemption of the units of these other UCITS and/or UCIs by the fund (including front-end load and redemption fees).

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

- m) A sub-fund of an umbrella fund may also invest in other sub-funds of the same umbrella fund. In addition to the conditions for investing in target funds mentioned above, the following conditions apply to investments in target funds that are also sub-funds of the same umbrella fund:

Circular investments are not permitted. This means that the target sub-fund may not invest in the sub-funds of the same umbrella fund that is invested in this target sub-fund;

The sub-funds of an umbrella fund that are to be acquired by other sub-funds of the same umbrella fund may in turn, pursuant to their Articles of Association, invest a maximum of 10% of their assets in units of other target funds;

Voting rights resulting from holding units in target funds that are simultaneously target funds of the same umbrella fund are suspended as long as these units of a sub-fund of the same umbrella fund are held. This rule does not affect the appropriate recording of this in the annual accounts and the periodic reports;

As long as a sub-fund holds units in another sub-fund of the same umbrella fund, the units of the target sub-fund are not taken into account in the calculation of net asset value, insofar as the calculation serves to determine whether the legal minimum capital of the umbrella fund has been obtained;

- n) The Management Company is not permitted to use the UCITS pursuant to Part I of the Law of 17 December 2010 under its management in order to acquire a quantity of shares with voting rights which would enable it to exercise a significant influence on the management of an issuer.

- o) In addition, on behalf of the fund:

- up to 10% of non-voting shares of a single issuer,
- up to 10% of the debt securities of a single issuer,
- no more than 25% of the units of a single UCITS and/or UCI and
- no more than 10% of the money market instruments of a single issuer

may be acquired.

p) The investment limits stated in point 6(n) and (o) do not apply in the case of:

- transferable securities and money market instruments which are issued or guaranteed by an EU Member State or its local authorities, or by a state which is not a member of the European Union;
- transferable securities and money market instruments issued by a public international body to which one or more EU Member States belong;
- shares held by the fund in the capital of a company incorporated in a non-Member State which mainly invests its assets in transferable securities of issuers having their registered offices in that country, where under the legislation of that country such a holding represents the only way in which the fund can invest in the transferable securities of issuing bodies of that country. However, this exception shall only apply under the condition that the company of the non-EU Member State complies in its investment policy with the limits laid out in Articles 43, 46 and 48(1) and (2) of the Law of 17 December 2010. If the limits set out in Articles 43 and 46 of the Law of 17 December 2010 are exceeded, Article 49 of the Law of 17 December 2010 shall apply *mutatis mutandis*,
- shares held by an investment company or investment companies in the capital of subsidiary companies pursuing, in the country where the subsidiary is established, administration, advisory or sales activities in regard to the redemption of units at investors' request exclusively on its or their behalf.

6. Liquid assets

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

7. Subscription rights

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

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

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

8. Restrictions on borrowing and pledging

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

- b) Loans encumbering the fund may only be taken out for a short period of time and may not exceed 10% of the net fund assets. An exception to this is the acquisition of foreign currencies through "back-to-back" loans.
  - c) Loans may not be granted nor may guarantee commitments be entered into for third parties to the detriment of the fund, however, this does not prevent the acquisition of yet fully paid-up transferable securities, money market instruments or other financial instruments pursuant to Article 41(1)(e), (g) and (h) of the Law of 17 December 2010.
9. Additional investment guidelines
- a) The short-selling of transferable securities is not permitted.
  - b) Fund assets must not be invested in real estate, precious metals or certificates concerning precious metals, precious metal contracts, goods or goods contracts.
10. The investment restrictions referred to in this Article relate to the point in time at which transferable securities are acquired. If the percentages are subsequently exceeded through price changes or for reasons other than purchases, the Management Company shall seek to return to the specified limits without delay, taking into account the interests of the shareholders.

## **II. Duration, merger and liquidation of the Investment Company**

### ***Article 5 Duration of the Investment Company***

The Investment Company has been set up for an indefinite period.

### ***Article 6 Merger of the Investment Company***

1. The Investment Company may determine on the basis of a resolution of the general meeting that the Investment Company shall be transferred to another UCITS managed by the same Management Company or managed by another management company in accordance with the following conditions.

The general meeting also votes on the general merger plan. The decisions of the general meeting concerning a merger require at least a simple majority of the votes of those shareholders present or represented. In the case of mergers whereby the investment company taken over ceases to exist as a result of the merger, the effectiveness of the merger must be contained in a notarised deed.

2. The merger stated in point 1 above may be decided in particular in the following cases:
  - in so far as the net fund assets on a valuation day have fallen below an amount which appears to be a minimum amount for the purpose of managing the Fund in a manner which makes commercial sense. The Management Company has set this amount at EUR 1,250,000.
  - If, due to a significant change in the economic or political climate or for reasons of economic profitability, it does not appear to make economic sense to manage the Fund.

3. The Board of Directors of the Investment Company may decide to absorb another fund or sub-fund managed by the same or by another management company into the Investment Company.
4. Mergers are possible between two Luxembourg funds or sub-funds (domestic merger) or between funds or sub-funds that are based in two different Member States (cross-border merger).
5. A merger may only be implemented if the investment policy of the Investment Company or fund to be absorbed does not contradict the investment policy of the absorbing UCITS.
6. The merger is carried out in the form of the dissolution of the fund to be merged and at the same time the takeover of all assets by the acquiring fund. Investors in the acquired fund shall receive units of the acquiring fund, the number of which shall be based on the net asset ratio of the respective fund at the time of the merger and, where applicable, with a settlement for fractions.
7. Both the absorbing fund or sub-fund and the absorbed fund or sub-fund will inform investors in an appropriate manner of the planned merger via publication in a Luxembourg daily newspaper and as required by the regulations of the respective countries of distribution of the absorbing or absorbed fund or sub-fund.
8. The investors in the absorbing and the absorbed fund or sub-fund have the right, within 30 days and at no additional charge, to request the redemption of all or part of their units at the current net asset value or, if possible, the exchange for units of another fund with a similar investment policy that is managed by the same Management Company or by another company with which the Management Company is linked by common management or control or by a substantial direct or indirect holding. This right becomes effective from the date on which the unitholders of the absorbed and of the absorbing fund have been informed of the planned merger, and it expires five working days before the date of calculation of the conversion ratio.
9. In the case of a merger between two or more funds or sub-funds, the funds or sub-funds in question may temporarily suspend the subscription, redemption or conversion of units if such suspension is justified for reasons of protection of the unitholders.
10. Implementation of the merger will be audited and confirmed by an independent auditor. A copy of the auditor's report will be made available at no charge to the investors in the absorbing and the absorbed fund or sub-fund and the respective supervisory authority.
11. **The provisions of points 3-10 above also apply to the merger of unit classes within the Investment Company.**

#### ***Article 7 Liquidation of the Investment Company***

1. The Investment Company may be liquidated pursuant to a decision of the general meeting. This decision shall be subject to compliance with the legal provisions specified for the amendment of Articles of Association.

However, if the assets of the Investment Company fall to below two-thirds of the minimum capital, the Board of Directors of the Investment Company is required to convene a general meeting and to

propose the liquidation of the Investment Company to this meeting. Liquidation shall be approved by a simple majority of shares present and/or represented.

If the assets of the Investment Company fall to below one quarter of the minimum capital, the Board of Directors of the Investment Company is also required to convene a general meeting and to propose the liquidation of the Investment Company to this meeting. Liquidation in this case shall be approved by a majority of 25% of shares present and/or represented at the general meeting.

General meetings will be convened within 40 days of discovery of the fact that the Investment Company's assets have fallen to below two-thirds or one-quarter of the minimum capital.

The decision of the general meeting to liquidate the Investment Company will be published pursuant to the applicable legislative provisions.

2. Unless otherwise decided by the Board of Directors, the Investment Company shall cease to issue or exchange shares in the Investment Company from the date of the liquidation decision until the liquidation is implemented. The redemption of shares will continue to be possible if the equal treatment of the shareholders is ensured.
3. Any net liquidation proceeds that are not claimed by investors by the completion of the liquidation process will be forwarded by the Depositary Bank after the completion of the liquidation process to the *Caisse des Consignations* in the Grand Duchy of Luxembourg on behalf of the entitled shareholders. These sums will be forfeited if they are not claimed within the statutory period.

#### **IV. Capital and shares**

##### ***Article 8 Capital***

The capital of the Investment Company corresponds at all times to the total fund assets pursuant to Article 10(4) of these Articles of Association, and is represented by fully paid-up shares of no par value.

The initial capital of the Investment Company on formation amounts to EUR 31,000, divided into 310 shares of no par value.

Pursuant to the law of the Grand Duchy of Luxembourg, the minimum capital of the Investment Company must be the equivalent of EUR 1,250,000 and this must be attained within a period of six months after approval of the Investment Company by the Luxembourg supervisory authorities. The basis for this will be the net assets of the company.

##### ***Article 9 Shares***

1. Shares are shares in the fund. Shares shall be issued in the denominations determined by the Investment Company. Fund shares shall be issued in the certificates and denominations stated in the Annex. Registered shares shall be documented by the registrar and transfer agent in the share register kept for the Investment Company. Confirmation of entry in the share register shall be sent to the shareholders at the address specified in the share register. All disclosures and notifications to shareholders by the Investment Company shall be sent to this address. Investors are not entitled to

the delivery of physical certificates. Details of the type of shares issued by the fund are contained in the Annex to this Sales Prospectus.

2. In order to ensure the smooth transfer of shares, an application will be made for the shares to be held in collective custody.
3. The Board of Directors is authorised to issue an unlimited number of fully paid-up shares at any time, without the need to grant existing shareholders a preferential right of subscription to newly issued shares.
4. All shares in the fund fundamentally have the same rights unless the Board of Directors decides to issue different classes of share pursuant to the following subparagraph of this Article.
5. The Board of Directors may decide from time to time to have two or more share classes within the fund. The share classes may have different characteristics and rights in terms of the use of income, fee structure or other specific characteristics and rights. From the date of issue, all shares entitle the holder or bearer to participate equally in income, share price gains and liquidation proceeds in their particular share category. If share classes are formed for the fund, details of the specific characteristics or rights for each share class are contained in the corresponding Annex to the Sales Prospectus.
6. By decision of the Board of Directors of the Investment Company, share classes in the Fund may be subject to a share split.

**Article 10 Calculation of the net asset value per share**

1. The net assets of the Investment Company are shown in euro (EUR) ("reference currency").
2. The value of a share ("net asset value per share") is denominated in the currency laid down in the Annex to the Sales Prospectus ("fund currency"), unless any other currency is stipulated for any other share classes in the Annex to the Sales Prospectus ("share class currency").
3. The net asset value per share is calculated by the Management Company or a third party commissioned for this purpose by the Investment Company, under the supervision of the Depositary Bank, on each banking day in Luxembourg, with the exception of 24 and 31 December of each year ("valuation day"). The Board of Directors may decide to apply different regulations to individual funds, but the net asset value per share must be calculated at least twice each month.
4. In order to calculate the net asset value per share, the value of the assets of the fund, less the liabilities of the fund ("net fund assets") is determined on each valuation day and this is divided by the number of shares in circulation in the fund on the valuation day. The Management Company can, however, decide to determine the unit value on the 24 and 31 December of a year without these determinations of value being calculations of the unit value on a valuation day within the meaning of the above clause 1 of this point 4. Consequently, the shareholders may not demand the issue, redemption or exchange of shares on the basis of a net asset value determined on 24 December and/or 31 December of a year.
5. Insofar as information on the situation of the net assets of the company must be specified in the

annual or semi-annual reports and/or other financial statistics pursuant to the applicable legislative provisions or in accordance with the conditions of these Articles of Association, the value of the assets of the fund will be converted to the reference currency. The net fund assets will be calculated according to the following principles:

- a) Securities, money market instruments, derivative financial instruments (derivatives) and other assets officially listed on a stock exchange are valued at the latest available trade price which provides a reliable valuation on the trading day preceding the valuation day.

The Management Company may stipulate for funds that transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets officially listed on a securities exchange are valued at the latest available closing price which provides a reliable valuation. Details on this can be found in the Annexes to the relevant sub-funds.

If transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets are officially listed on several stock exchanges, the one with the highest liquidity shall be decisive.

- b) Securities not officially listed on a securities exchange but traded on a regulated market will be valued at a price that may not be lower than the bid price and not higher than the offered price of the trading day preceding the valuation day and which the Investment Company deems in good faith to be the best possible price at which the securities can be sold.

The Management Company may, on behalf of the funds, determine that transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets which are not officially listed on a securities exchange (or whose stock exchange rate is not deemed representative, e.g. due to lack of liquidity) but which are traded on another regulated market, shall be valued at the latest available price there, and which the Management Company considers in good faith to be the best possible price at which the transferable securities, money market instruments, derivative financial instruments (derivatives) and other investments can be sold. Details on this can be found in the Annexes to the relevant sub-funds.

- c) OTC derivatives shall be evaluated on a daily basis using a method to be determined and validated by the Management Company in good faith on the basis of the sale value that is likely attainable and using generally accepted valuation models which can be verified by an auditor.
- d) UCITS and UCIs are valued at the most recently established and available redemption price. In the event that the redemption of the investment units is suspended, or no redemption prices are established, these units together with all other assets will be valued at their appropriate market value, as determined in good faith by the Management Company and in accordance with generally accepted valuation standards approved by the auditors.
- e) If the prices in question are not fair market prices, if the financial instruments under (b) are not traded on a regulated market, and if no prices are set for financial instruments different from those listed under (a)–(d), then these financial instruments and the other legally permissible assets shall be valued at their current market value, which shall be established in good faith by the Management Company on the basis of generally accepted and verifiable valuation rules (e.g. suitable valuation models taking account of current market conditions).

- f) Liquid funds are valued at their nominal value plus interest.
- g) Amounts due (e.g. deferred interest claims and liabilities) shall, in principle, be rated at their par value.
- h) The market value of securities and other investments which are denominated in a currency other than the currency of the fund shall be converted into the currency of the fund at the last mean rate of exchange. Gains and losses from foreign exchange transactions will on each occasion be added or subtracted.

Any distributions paid out to fund shareholders will be deducted from the net assets of the fund. The Management Company may stipulate for the funds that the transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets denominated in a currency other than that of the sub-fund shall be converted into the sub-fund currency at the exchange rate of the trading day. Profits and losses from foreign exchange transactions shall, on each occasion, be added or subtracted. Details on this can be found in the Annexes to the relevant sub-funds.

- 6. The net asset value per share is calculated separately for the -fund pursuant to the aforementioned criteria. However, if there are different share classes within the fund, the net asset value per share will be calculated separately for each share class within this fund pursuant to the aforementioned criteria.

***Article 11 Suspension of the calculation of the net asset value per share***

- 1. The Management Company is authorised to temporarily suspend calculation of the net asset value per share if and as long as circumstances exist necessitating the suspension of calculations and if the suspension is in the interests of the shareholders, in particular:
  - a) when a stock exchange or another regulated market on which a significant number of the assets are quoted or traded is closed for reasons other than a normal statutory or bank holiday or when trading on this stock exchange or regulated market is suspended or restricted;
  - b) in emergency situations in which the Investment Company cannot freely access of the assets of the fund or in which it is impossible to transfer the transaction value of investment purchases or sales freely or when the net asset value per share cannot be properly calculated;
  - c) if disruptions in the communications network, or any other reason, make it impossible to calculate the value of a considerable part of the net assets either quickly or sufficiently.

The issue, redemption and exchange of shares shall also be suspended whilst the calculation of the net asset value per share is temporarily suspended. The temporary suspension of the calculation of the net asset value per share of the shares within the fund shall not lead to the temporary suspension of other sub-funds that are not affected by that event.

- 2. Shareholders who have placed a subscription, redemption or exchange order shall be immediately informed of the discontinuation of the calculation of the net asset value per share.

3. Subscription, redemption and exchange orders shall be automatically forfeited if the calculation of the net asset value is suspended. The shareholders or potential shareholders will be informed that after the resumption of the calculation of the net asset value the subscription, redemption or exchange orders must be resubmitted.

## **Article 12 Issue of shares**

1. Shares are always issued on the initial issue date of a fund or within the initial issue period of a fund at a set initial issue price, plus the front-load fee, in the manner described in the fund Annex to the Sales Prospectus. In conjunction with this initial issue amount or this initial issue period, shares will be issued on the valuation day at the issue price. The issue price is the net asset value per share pursuant to Article 14(4) of the Articles of Association, plus a front-load fee, the maximum amount of which is stated for the fund in the Annex to this Sales Prospectus.

The issue price can be increased by fees or other encumbrances in particular countries where the Fund is on sale.

2. Subscription applications for the acquisition of registered shares can be submitted to the Management Company and any sales agent. The receiving agents are obliged to immediately forward all complete subscription applications to the registrar and transfer agent. The date of receipt by the registrar and transfer agent ("relevant agent") is decisive. Said agent accepts the subscription applications on behalf of the Management Company.

Subscription applications for the acquisition of bearer shares are forwarded to the registrar and transfer agent by the entity at which the subscriber holds his investment account. The date of receipt by the registrar and transfer agent ("relevant agent") is decisive.

Complete subscription orders received by the registrar and transfer agent no later than the time stated in the Sales Prospectus on a valuation day shall be settled at the issue price of the second following valuation day, provided the transaction value for the subscribed shares is available. The Management Company shall ensure that the shares are issued on the basis of a net asset value per share previously unknown to the applicant. If, however, an applicant is suspected of engaging in late trading or market timing, the Management Company may reject the subscription order until the applicant has cleared up any doubts with regard to his subscription order. Complete subscription orders received by the registrar and transfer agent after the time stated in the Sales Prospectus on a valuation day shall be settled at the issue price of the valuation day following the second following valuation day, provided the transaction value for the subscribed shares is available.

Immediately following receipt of the issue price by the Depositary, the registered shares shall be allocated by the registrar and transfer agent on behalf of the Management Company and transferred by entry in the share register.

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

The issue price is payable within the number of valuation days specified in the Annex to the fund after the corresponding valuation day in the fund currency to the Depositary Bank in Luxembourg.

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

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

### ***Article 13 Restriction and suspension of the issue of shares***

1. The Management Company may at any time at its discretion and without stating reasons reject a subscription application or temporarily restrict or suspend, or permanently discontinue the issue of shares, or unilaterally decide to buy back shares in return for payment of the redemption price, if this is deemed to be in the interests of the shareholders, in the interest of the public, for the protection of the Investment Company, for the protection of the fund or for the protection of the shareholders particularly in cases where:
  - a) there is a suspicion that the respective shareholder shall, on acquiring the shares, engage in market timing, late trading or other market techniques that could be harmful to all the investors,
  - b) the investor does not fulfil the conditions to acquire the shares, or
  - c) the shares are marketed in a country where the fund is not permitted to be sold or are acquired by persons (e.g. US citizens) who are not permitted to acquire the shares.
2. In such event, the registrar and transfer agent or the depositary bank shall immediately repay any payments received on subscription orders not already executed.
3. The issue of shares shall be temporarily suspended in particular if the calculation of the net asset value per share is suspended.

### ***Article 14 Redemption and exchange of shares***

1. The shareholders are entitled at all times to apply for the redemption of their shares at the net asset value per share, if applicable less a redemption charge ("redemption price"), in accordance with Article 12(4) of the Articles of Association. Units will only be redeemed on a valuation day. If a redemption fee is payable, the maximum amount of this redemption fee for the fund is contained in the Annex to this Sales Prospectus.

In certain countries the redemption price may be reduced by local taxes and other charges. The corresponding share lapses upon payment of the redemption price.

2. Payment of the redemption price and any other payments to the shareholders shall be made via the Depository Bank or the paying agents. The Depository Bank shall only be required to make a payment, insofar as there are no legal provisions, such as exchange control regulations, or other circumstances beyond the Depository Bank's control forbidding the transfer of the redemption price to the country of the applicant.

The Management Company may repurchase shares unilaterally against payment of the redemption price, insofar as this is in the interests of or in order to protect the shareholders, the Investment Company or the fund, particularly in cases where:

1. there is a suspicion that the respective shareholder shall, on acquiring the shares, engage in market timing, late trading or other market techniques that could be harmful to all the investors,
2. the investor does not fulfil the conditions to acquire the shares, or
3. the shares are marketed in a country where the fund is not permitted to be sold or are acquired by persons (e.g. US citizens) who are not permitted to acquire the shares.

The Investment Company may reject an application for the exchange of shares within the fund or share class, if this is deemed in the interests of the Investment Company or the fund or in the interests of the shareholders, particularly if

1. there is a suspicion that the respective shareholder shall, on acquiring the shares, engage in market timing, late trading or other market techniques that could be harmful to all the investors,
  2. the investor does not fulfil the conditions to acquire the shares, or
  3. the shares are marketed in a country where the is not permitted to be sold or are acquired by persons (e.g. US citizens) who are not permitted to acquire the shares.
3. Complete applications for the redemption or exchange of registered shares may be submitted to the Management Company or the Investment Company and any sales agent.
  4. The receiving agents are required to forward the redemption applications or exchange instructions to the Registrar and Transfer Agent immediately. Receipt by the Registrar and Transfer Agent is decisive.
  5. Complete redemption applications or exchange instructions to redeem or convert bearer shares shall be forwarded by the agent with which the shareholder holds his investment account to the registrar and transfer agent. Receipt by the Registrar and Transfer Agent is decisive.
  6. An application for the redemption or exchange of registered shares shall only be deemed complete if it contains the name and address of the shareholder, the number and/or transaction value of the shares to be redeemed and/or exchanged, the name of the fund and the signature of the shareholder.

Complete orders for the redemption and/or exchange of the shares received by the relevant agent no later than the time stated in the Sales Prospectus on a valuation day shall be settled at the net asset value per share of the second following valuation day, less any applicable redemption fees and/or exchange fees. The Investment Company shall ensure in all cases that shares are redeemed and/or exchanged on the basis of a net asset value per share previously unknown to the shareholder. Complete orders for the redemption and/or exchange of shares received by the relevant agent after the time stated in the Sales Prospectus on a valuation day shall be settled at the net asset value per share of the valuation day following the second following valuation day, less any applicable redemption fees and/or exchange fees.

The redemption price is payable in the fund currency within two valuation days of the relevant valuation day. In the case of registered shares, payments are made to the account specified by the shareholder.

Any fractional amounts resulting from the exchange of bearer shares will be paid out by the registrar and transfer agent in cash.

7. The Management Company is authorised to temporarily suspend the redemption of shares due to the suspension of the calculation of the net asset value.
8. Subject to prior approval by the Depositary Bank and while preserving the interests of the shareholders, the Investment Company is entitled to defer significant volumes of redemptions until corresponding assets of the fund are sold without delay. In this case, the redemption shall occur at the redemption price then valid. The same shall apply to applications to exchange shares. The Investment Company shall, however, ensure that the fund assets have sufficient liquid funds so that the redemption or exchange of shares may take place immediately upon application from investors under normal circumstances.

## **V. General meeting**

### ***Article 15 Rights of the general meeting***

A properly convened general meeting represents all the shareholders of the Investment Company. The general meeting has the authority to initiate and confirm all dealings of the Investment Company. The resolutions of the general meeting are binding on all shareholders, insofar as these resolutions are in accordance with the law of the Grand Duchy of Luxembourg and these Articles of Association, in particular insofar as they do not interfere with the rights of the separate meetings of shareholders of a particular share class.

### ***Article 16 Convening of meetings***

1. Pursuant to Luxembourg law, the annual general meeting will be held in Luxembourg at the registered office of the Company, or at any other location within the district where the registered office of the Company is located and which will be specified in the notice of meeting, on the third Wednesday in May of each year at 3 pm, with the first meeting being convened in 2015. In the event that this day is a bank holiday in Luxembourg, the annual general meeting will be held on the next banking day in Luxembourg.

The annual general meeting may be held abroad if the Board of Directors deems fit as a result of extraordinary circumstances. A resolution of this kind by the Board of Directors may not be contested.

2. Pursuant to the applicable legislative provisions, the shareholders may also be called to a meeting convened by the Board of Directors. A meeting may also be convened at the request of shareholders representing at least one-tenth of the assets of the Investment Company.
3. The convening notice must contain the agenda and be sent to all holders of registered shares at the addresses stated in the share register at least 14 days before the meeting. The convening notice and the agenda shall be brought to the attention of the owners of bearer shares in accordance with the applicable legal provisions.
4. The agenda shall in principle be drawn up by the Board of Directors. At the request of shareholders representing at least one tenth of the assets of the Investment Company, the Board of Directors shall amend or supplement the agenda. Any such request made by the shareholders must reach the Board of Directors of the Investment Company at least 5 days before the meeting. The Board of Directors shall notify the new agenda to the shareholders immediately. In cases where the general meeting is held at the written request of shareholders representing at least one tenth of the assets of the Investment Company, the agenda shall be drawn up by the shareholders.
5. Extraordinary general meetings of shareholders will be held at the time and place specified in the notice of the extraordinary general meeting.
6. The conditions specified in subparagraphs 2 to 4 above shall apply accordingly for separate meetings of shareholders convened for the shareholders of the fund or share classes.

### ***Article 17 Quorum and voting***

The proceedings of the general meeting or the separate general meeting of one or several share class(es) must meet the legal requirements.

In principle, all shareholders are entitled to participate in the general meetings of shareholders. All shareholders may be represented at the meeting by appointing another person as an authorised representative in writing.

With meetings of shareholders convened for individual share classes, which may only pass resolutions concerning the share class, only those shareholders who hold shares of the corresponding share class may participate. The Board of Directors may allow shareholders to attend general meetings through a video conferencing facility or other communications methods if these methods enable the shareholders to be identified and to effectively participate in the general meeting uninterrupted.

Notices of representation, the form of which is to be specified by the Board of Directors, must be deposited at the registered office of the Company at least five days before the general meeting of shareholders.

All shareholders and shareholders' representatives must sign the attendance register drawn up by the Board of Directors before entering the general meeting of shareholders.

The Board of Directors may set other conditions (e.g. the blocking of shares held in a securities account by the shareholder, presentation of a certificate of blocking, presentation of power of attorney), which are to be filled out by the shareholders in order to participate in the general meetings.

The general meeting of shareholders shall deliberate on all matters specified by the Law of 10 August 1915 and the Law of 17 December 2010; resolutions shall be passed in the forms and with the quorum and majorities specified in the aforementioned laws. Unless otherwise stated in the aforementioned laws or these Articles of Association, the resolutions voted on by a properly convened general meeting of shareholders shall be passed on the basis of a simple majority of shareholders present and votes cast.

Each share carries entitlement to one vote. Fractions of shares are not entitled to vote.

Matters that affect the Investment Company as a whole shall be voted on jointly by all shareholders. However, separate votes shall be cast on matters that only affect one or several share class(es).

### ***Article 18 Chairman, teller, secretary***

1. The general meeting of shareholders will be chaired by the Chairman of the Board of Directors or, in the event of his absence, by a chairman to be appointed by the general meeting of shareholders.
2. The chairman shall appoint a secretary for the meeting, who does not necessarily have to be a shareholder, and the general meeting of shareholders shall appoint a teller from amongst the shareholders and shareholders' representatives present at the meeting.
3. The minutes of the general meeting of shareholders will be signed by the chairman, the teller and the secretary of each general meeting of shareholders, as well as by the shareholders who so request.
4. Copies and extracts that are to be drawn up by the Investment Company shall be signed by the Chairman of the Board of Directors or by two members of the Board of Directors.

## **VI. Board of Directors**

### ***Article 19 Membership***

1. The Board of Directors has at least three members who shall be appointed by the general meeting of shareholders and who must not be shareholders in the Investment Company.

The general meeting of shareholders may only appoint as a new member of the Board of Directors a person who has not previously been a member of the Board of Directors if

- a) this person has been proposed by the Board of Directors, or
- b) a shareholder who is fully entitled to vote at the general meeting of shareholders convened by the Board of Directors informs the Chairman – or if this is impossible another member of the Board of Directors - in writing not less than six and not more than thirty days before the scheduled date of the general meeting of shareholders of his intention to put forward a person other than himself for election or reconsideration, together with written confirmation from this person that he wishes to be put forward for election; however, the chairman of the general meeting of shareholders, provided he receives the unanimous consent of all shareholders present at the meeting, may

declare the waiving of the requirement for the aforementioned written notice and resolve that this nominated person should be put forward for election.

2. The general meeting of shareholders shall determine the number of members of the Board of Directors, as well as their term of office. A term of office may not exceed a period of six years. Members of the Board of Directors may be re-elected.
3. If a member of the Board of Directors leaves before the end of his term of office, the remaining members of the Board of Directors appointed by the general meeting may appoint a temporary successor until the next general meeting (co-option). The successor appointed in this manner shall complete the term of office of his predecessor and is entitled, along with all other members of the Board of Directors, to appoint, by way of co-option, temporary successors to other members leaving the Board of Directors.
4. The members of the Board of Directors may be dismissed at any time by the general meeting of shareholders.

#### ***Article 20 Authorisations***

The Board of Directors is authorised to carry out all transactions that are necessary or beneficial for the fulfilment of the Company's purpose. The Board of Directors is responsible for all matters concerning the Investment Company unless specified in the Law of 10 August 1915 or these Articles of Association that such matters are restricted to the general meeting of shareholders.

The Board of Directors may transfer the day-to-day management of the Investment Company to natural or legal persons who do not need to be members of the Board of Directors and pay them fees and commissions for their activities. The transfer of duties to third parties shall in all cases be subject to the supervision of the Board of Directors.

In addition, the Board of Directors is permitted to appoint a Fund Manager, an investment adviser and an investment committee to the fund and to establish the authorisations thereof.

The Board of Directors is also authorised to pay interim dividends.

#### ***Article 21 Internal organisation of the Board of Directors***

The Board of Directors shall appoint a chairman from among its members.

The Chairman of the Board of Directors is responsible for chairing the meetings of the Board of Directors; in his absence the Board of Directors shall appoint another member of the Board of Directors to chair these meetings.

The Chairman may appoint a secretary, who does not necessarily need to be a member of the Board of Directors and who shall be responsible for the recording of the minutes of meetings of the Board of Directors and the general meeting of shareholders.

The Board of Directors is authorised to appoint the Management Company, fund manager, investment adviser and investment committees for the fund and to determine the authorities of these parties.

## ***Article 22 Frequency and convening of meetings***

The Board of Directors shall meet at the invitation of the Chairman or of two members of the Board of Directors at the place specified in the notice convening the meeting; the Board of Directors shall meet as often as the interests of the Investment Company require but at least once a year.

The members of the Board of Directors will be notified in writing of the convening of the meeting at least 48 (forty-eight) hours before the meeting unless it not possible to follow the aforementioned notice period due to the urgency of the situation. In this case, details of and the reasons for the urgency are to be stated in the notice of meeting.

A letter of invitation is not required if the members of the Board of Directors do not raise an objection when attending the meeting against the form of the invitation or give written agreement by letter, fax or email. Objections to the form of the invitation can only be raised in person at the meeting.

It is not be necessary to send a specific invitation if this meeting is to take place at a location and time already specified in a resolution passed by the Board of Directors.

## ***Article 23 Meetings of the Board of Directors***

A member of the Board of Directors may participate in any meetings of the Board of Directors by appointing another member of the Board of Directors as his representative in writing, i.e. by way of letter or fax.

Furthermore any member of the Board of Directors may take part in a meeting of the Board of Directors through a telephone conferencing facility or similar communications method which allows all participants at the meeting of the Board of Directors to hear each other. This form of participation is equivalent to personal attendance of the meeting of the Board of Directors.

The Board of Directors shall only have quorum if at least half of the members of the Board of Directors are present or represented at the meeting. Resolutions shall be passed by a simple majority of votes cast by the members of the Board of Directors present or represented. In the event of a tied vote, the vote of the chairman of the meeting shall be decisive.

The members of the Board of Directors may only pass resolutions during the course of meetings of the Board of Directors of the Investment Company that have been properly convened; excepted from this regulation are resolutions passed by way of a written procedure.

The members of the Board of Directors may also pass resolutions by way of a written procedure, insofar as all members agree on the passing of the resolution. Resolutions that are passed by way of a written procedure and that are signed by all members of the Board of Directors are equally valid and enforceable as resolutions passed during a meeting of the Board of Directors that has been properly convened. The signatures of the members of the Board of Directors may be obtained collectively on one single document or individually on several copies of the same document and may be submitted by letter or fax.

The Board of Directors may delegate its authority and obligations for the day-to-day administration of the Investment Company to natural persons and/or legal entities that are not members of the Board of Directors and pay these persons and/or entities the fees or commissions set out in Article 36 in return for the performance of these duties.

#### ***Article 24 Minutes***

The resolutions passed by the Board of Directors will be documented in minutes that are entered in the register kept for this purpose and signed by the Chairman of the meeting and the secretary.

Copies and extracts from these minutes shall be signed by the Chairman of the Board of Directors or by two members of the Board of Directors.

#### ***Article 25 Authorised signatories***

The Investment Company will be legally bound by the signatures of two members of the Board of Directors. The Board of Directors may empower one or several member(s) of the Board of Directors to represent the Investment Company by way of a sole signature. Furthermore, the Board of Directors may authorise other legal entities or natural persons to represent the Investment Company either through a sole signature or jointly with one member of the Board of Directors or another legal entity or natural person authorised by the Board of Directors.

#### ***Article 26 Incompatibilities and personal interest***

No agreement, settlement or other transaction made between the Investment Company and another company will be influenced or invalidated as a result of the fact that one or several members of the Board of Directors, directors, managers or authorised agents of the Investment Company have any interests or participations in any other company or by the fact that such persons are members of the Board of Directors, shareholders, directors, managers, authorised agents or employees of other companies.

A member of the Board of Directors, director, manager or authorised agent of the Investment Company who is simultaneously a member of the Board of Directors, director, manager, authorised agent or employee of another company with which the Investment Company has agreements or has business relations of another kind will not lose the entitlement to advise, vote and negotiate matters concerning such agreements or other business relations.

However, in the event that a member of the Board of Directors, director or authorised agent has a personal interest in any matters of the Investment Company, this member of the Board of Directors, director or authorised agent of the Investment Company must inform the Board of Directors of this personal interest and this person may no longer advise, vote and negotiate matters connected with this personal interest. A report on this matter and on the personal interest of the member of the Board of Directors, director or authorised agent must be presented to the next general meeting of shareholders.

The term "personal interest", as used in the previous paragraph, does not apply to business relations and interests that come into being solely as a result of legal transactions between the Investment Company on one hand, and the Fund Manager, the Central Administration Agent, the registrar and transfer agent, (or a company directly or indirectly affiliated) or any other company appointed by the Investment Company on the other hand.

The above conditions are not applicable in cases in which the Depositary Bank is party to such an agreement, settlement or other legal transaction. Managing directors, authorised signatories and the holders of the commercial mandates for the company-wide operations of the Depositary Bank may not be appointed at the same time as an employee of the Investment Company in a day-to-day management role. Managing directors,

authorised representatives and the holders of the commercial mandates for the company-wide operations of the Investment Company may not be appointed at the same time as an employee of the Depository Bank in a day-to-day management role.

### **Article 27 Indemnification**

The Investment Company shall be obliged to hold harmless all members of the Board of Directors, directors, managers or authorised agents, their heirs, executors and administrators against all lawsuits, claims and liability of all kinds, insofar as the affected parties have properly fulfilled their duties. Furthermore, the Investment Company shall reimburse the aforementioned parties all costs, expenses and liabilities incurred as a result of any such lawsuits, legal proceedings, claims and liability.

The right to compensation shall not exclude other rights that a member of the Board of Directors, director, manager or authorised agent may have.

### **Article 28 Management Company**

The Board of Directors of the Investment Company may appoint a Management Company, which shall be solely responsible for asset management, administration and the distribution of the shares of the Investment Company.

The Management Company is responsible for the management and administration of the Investment Company. Acting on behalf of the Investment Company, it may take all management and administrative measures and exercise all rights directly or indirectly connected with the assets of the Investment Company or the fund, in particular delegate its duties to qualified third parties in whole or in part at its own cost; it also has the right to obtain advice from third parties, particularly from various investment advisers and/or an investment committee at its own cost and responsibility.

The Management Company carries out its obligations with the care of a paid authorised agent (*mandataire salarié*).

Insofar as the Management Company contracts a third party to manage assets, it may only appoint a company that is admitted or registered to engage in asset management and is subject to oversight.

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

The Management Company is entitled, at its own responsibility and control, to authorise a third party to place orders.

The delegation of duties must not impair the effectiveness of supervision by the Management Company in any way. In particular, the delegation of duties must not obstruct the Management Company from acting in the interests of the shareholders and ensuring that the Investment Company is managed in the best interests of the shareholders.

### **Article 29 Fund Manager**

If the Investment Company makes use of Article 30(1) and the Management Company transfers the fund manager role to a third party, it is the duty of such fund manager, in particular, to implement the day-to-day

investment policy of the fund's assets and to manage the day-to-day transactions connected with asset management as well as other related services under the supervision, responsibility and control of the Management Company. This role is performed subject to the investment policy principles and the investment restrictions of the fund as described in these Articles of Association and the Sales Prospectus (plus appendix) of the Investment Company and to the legal investment restrictions.

The Fund Manager must be licensed for the administration of assets and must be subject to proper supervision in its country of residence.

The Fund Manager is authorised to select brokers and traders to carry out transactions using the assets of the Investment Company or its fund. The Fund Manager is also responsible for investment decisions and the placing of orders.

The Fund Manager has the right to obtain advice from third parties, particularly from various investment advisers, at its own cost and on its own responsibility.

The Fund Manager is authorised, with the prior consent of the Management Company, to transfer some or all of its duties and obligations to a third party, whose remuneration shall be paid by the Fund Manager.

The Fund Manager bears all expenses incurred in connection with the services it performs on behalf of the Investment Company. Broker commissions, transaction fees and other transaction costs arising in connection with the purchase and sale of assets are borne by the fund.

## **VII. Auditors**

### ***Article 30 Auditors***

An auditing company or one or several auditors are to be appointed to audit the annual accounts of the Investment Company; this auditing company or this/these auditor(s) must be approved in the Grand Duchy of Luxembourg and is/are to be appointed by the general meeting of shareholders.

The auditor(s) may be appointed for a term of up to six years and may be dismissed at any time by the general meeting of shareholders.

## **VIII. General and final provisions**

### ***Article 31 Use of income***

1. The Board of Directors may decide either to pay out income generated by the fund to the shareholders of this fund or to reinvest the income in the fund. Details for the fund are contained in the Annex to this Sales Prospectus.
2. Ordinary net income and realised price gains may be distributed. Furthermore, unrealised price gains, other assets and, in exceptional cases, equity interests may also be paid out as distributions, provided that the net assets of the company do not, as a result of the distribution, fall below the minimum capital pursuant to Article 10 of these Articles of Association.
3. Distributions will be paid out on the basis of the shares issued on the date of distribution. Distributions may be paid out wholly or partly in the form of bonus shares. Any fractions remaining

may be paid in cash. Income not claimed five years after publication of notification of a distribution shall be forfeited in favour of the fund.

4. Distributions to holders of registered shares will be paid out via the reinvestment of the distribution amount in favour of the holders of registered shares. If this is not required, the holder of registered shares may submit an application to the Registrar and Transfer Agent, within 10 days of the receipt of the notification of the distribution, for the payment of the distribution to the account that he specifies. Distributions to the holders of bearer shares shall be made in the same manner as the payment of the redemption price to holders of bearer shares.
5. Distributions declared but not paid on bearer shares entitled to distributions may no longer be claimed after a period of five years from the payment declaration by the shareholders of such shares, and shall be credited to the fund of the Investment Company or to the relevant share class and, if share classes exist, allocated to the relevant share class. No interest will be payable on distributions from the time of maturity.

### ***Article 32 Reports***

An audited annual report and a semi annual report will be created for the Investment Company in accordance with legal provisions in Luxembourg.

1. No later than four months after the end of each financial year, the Board of Directors shall publish an audited annual report in accordance with the regulations applicable in the Grand Duchy of Luxembourg.
2. Two months after the end of the first half of each financial year, the Board of Directors shall publish an unaudited semi-annual report.
3. Insofar as this is necessary for an entitlement to trade in other countries, additional audited and unaudited interim reports may also be drawn up.

### ***Article 33 Costs***

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

1. The Management Company receives a fee payable from the net fund assets for the management of the fund. Details of the amount, calculation and payment of this remuneration are also contained for the fund in the respective Annex to the Sales Prospectus. VAT can be added to the remuneration.

In addition, the Management Company or, if applicable, the investment adviser(s)/fund manager(s) may also receive a performance fee from the assets of the fund. The percentage amount, calculation and payment for the fund are contained in the Annex to the Sales Prospectus.

2. If an investment adviser is contracted, this investment adviser may receive a fixed and/or performance-related fee, payable from the Management Company fee or from the assets of the fund. Details of the maximum permissible amount, the calculation and the payment of this remuneration are contained for the fund in the Annex to this Sales Prospectus. VAT can be added to the fee.

3. If a Fund Manager is contracted, this Fund Manager may receive a fixed and/or performance-related fee, payable from the Management Company fee or from the assets of the fund. Details of the maximum permissible amount, the calculation and the payment of this remuneration are contained for the fund in the Annex to this Sales Prospectus. VAT can be added to the remuneration.
4. In return for the performance of their duties, the Depositary Bank and the Central Administration Agent each receive the amount of fees customary in the Grand Duchy of Luxembourg, which are calculated at the end of each month and paid in arrears on a monthly basis. VAT can be added to the remuneration.
5. Pursuant to the registrar and transfer agent Agreement, in return for the performance of its duties the registrar and transfer agent receives the amount of fees customary in the Grand Duchy of Luxembourg, which are calculated as a fixed amount per investment account or per account with savings plan and/or withdrawal plan at the end of each year and which are payable from the fund assets.
6. If a sales agent was contractually required, this sales agent may receive a fee payable from the fund assets; details on the maximum permissible amount, the calculation and the payment thereof are contained for the fund in the Annex to this Sales Prospectus. VAT can be added to the fee.
7. In addition to the aforementioned costs, the fund shall bear the following costs, provided they arise in connection with its assets:
  - a) costs incurred in relation to the acquisition, holding and disposal of assets, in particular customary bank charges for securities transactions and transactions involving other assets and rights of the Investment Company and the safeguarding of such assets and rights, as well as customary bank charges for the safeguarding of foreign investment units abroad;
  - b) all external administration and custody fees, which are charged by other correspondent banks and/or clearing agencies (e.g. Clearstream Banking S.A.) for the assets of the fund, as well as all foreign settlement, dispatch and insurance fees that are incurred in connection with the securities transactions of the fund in units of other UCITS or UCI;
  - c) the transaction costs for the issue and redemption of bearer shares;
  - d) the expenses and other costs incurred by the Depositary Bank, the registrar and transfer agent and the Central Administration Agent in connection with the sub-fund assets and due to the necessary usage of third parties are reimbursed;
  - e) taxes levied on the Investment Company's, income and expenses that are charged to the fund;
  - f) costs of legal advice incurred by the Investment Company, the Management Company (where appointed) or the Depositary Bank, if incurred in the interests of the shareholders of the fund;
  - g) costs of legal advice incurred by the Fund Manager after authorisation of the Board of Directors of the Management Company (where appointed) in case that the legal advice is necessary in the best interest of the shareholders of the Fund.

- h) costs of the auditors of the Investment Company;
- i) costs for the creation, preparation, storage, publication, printing and dispatch of all documents required by the Investment Company, in particular share certificates and coupon renewal sheets, the "Key Investor Information Document" the Sales Prospectus (plus Annex), the annual reports and semi-annual reports, the schedule of assets, the notifications to the shareholders, the notices of convening of meetings, sales notifications and/or applications for approval in the countries in which shares in the Investment Company are sold, correspondence with the respective supervisory authorities.
- j) the administrative fees payable for the Investment Company to all relevant authorities, in particular the administrative fees of the Luxembourg and other supervisory authorities and also the fees for the filing of documents of the Investment Company.
- k) costs in connection with any admissions to listing on stock exchanges;
- l) advertising costs and costs incurred directly in connection with the offer and sale of shares;
- m) insurance costs;
- n) remuneration, expenses and other costs of foreign paying agents, the sales agents and other agents that must be appointed abroad, that are incurred in connection with the fund assets;
- o) interest connected with loans taken out in accordance with Article 4 of these Articles of Association;
- p) expenses of a possible investment committee;
- q) expenses of the Board of Directors of the Investment Company;
- r) costs connected with the formation of the Investment Company and the initial issue of shares;
- s) further management costs including associations' costs;
- t) costs of ascertaining the split of the investment result into its success factors (known as performance attribution);
- u) costs for credit rating of the Investment Company by nationally and internationally recognised rating agencies.

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

Costs incurred for the founding of the Investment Company and the initial issue of shares will be amortised over the first five financial years against the assets of the fund existing at the time of formation. The set-up costs and the aforementioned costs that are not directly attributable to a specific sub-fund shall be allocated to the respective sub-fund assets on a *pro rata* basis.

All the aforementioned costs, fees and expenses shall be subject to VAT.

### **Article 34 Financial year**

The Investment Company's financial year begins on 1 January and ends on 31 December of each year. The first financial year commences on the date of formation and ends on 31 December 2014.

### **Article 35 Depositary Bank**

1. The Investment Company shall ensure that a sole Depositary is appointed. The appointment of the Depositary is agreed in writing in the Depositary Agreement. DZ PRIVATBANK S.A., which was appointed by the Management Company as Depositary for the Investment Company, is a public limited company (Aktiengesellschaft) pursuant to the law of the Grand Duchy of Luxembourg, with its registered office at 4, rue Thomas Edison, L-1445 Strassen, Luxembourg, which carries out banking activities. The rights and obligations of the Depositary are governed by the Law of 17 December 2010, the applicable regulations, the Depositary Agreement, these Articles of Association and the Sales Prospectus (including Annexes).
2. The Depositary shall
  - (a) ensure that the sale, issue, repurchase, redemption and cancellation of shares of the Investment Company are carried out in accordance with the applicable statutory provisions and the procedure set out in the Articles of Association;
  - b) ensure that the Investment Company's net asset value per share is calculated in accordance with the applicable statutory provisions and the procedure set out in the Articles of Association;
  - c) carry out the instructions of the Management Company, unless they conflict with the applicable statutory provisions or the Articles of Association;
  - d) ensure that in transactions involving the assets of the Fund any consideration is remitted to the Fund within the usual time limits;
  - e) ensure that Fund income is applied in accordance with the applicable statutory provisions and the procedure set out in the Articles of Association.
3. The Depositary shall ensure that the cash flows of the Fund are properly monitored, and, in particular, that all payments made by, or on behalf of, shareholders upon the subscription of shares of the Investment Company have been received, and that all of the cash of the Fund has been booked in cash accounts that are:
  - (a) opened in the name of the Fund, of the Management Company acting on behalf of the Fund, or of the Depositary acting on behalf of the Fund;
  - (b) opened at an entity referred to in points (a), (b) and (c) of Article 18(1) of Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive ("Directive 2006/73/EC") and

(c) maintained in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

Where the cash accounts are opened in the name of the Depositary acting on behalf of the Fund, no cash of the entity referred to in point 3(b) and none of the own cash of the depositary shall be booked on such accounts.

4. The assets of the Fund shall be entrusted to the depositary for safekeeping as follows:

(a) for financial instruments that may be held in custody, the Depositary shall:

- i. hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;
- ii. ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Directive 2006/73/EC, opened in the name of the UCITS or the management company acting on behalf of the Fund, so that they can be clearly identified as belonging to the Fund in accordance with the applicable law at all times.

b) For other assets, the Depositary shall:

- i. verify the ownership by the Fund, or by the Management Company acting on behalf of the Fund, of such assets by assessing whether the Fund or the Management Company acting on behalf of the Fund holds the ownership based on information or documents provided by the Fund or by the Management Company and, where available, on external evidence;
- ii. maintain a record of those assets for which it is satisfied that the Fund or the management company acting on behalf of the Fund holds the ownership and keep that record up to date.

5. The Depositary shall provide the Management Company, on a regular basis, with a comprehensive inventory of all of the assets of the Fund.

6. The assets held in custody by the Depositary shall not be reused by the Depositary, or by any third party to which the custody function has been delegated, for their own account. Reuse comprises any transaction of assets held in custody including, but not limited to, transferring, pledging, selling and lending.

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

- (a) the reuse of the assets is executed for the account of the Fund,
- (b) the Depositary is carrying out the instructions of the Management Company on behalf of the UCITS,
- (c) the reuse is for the benefit of the Fund and in the interest of the unitholders; and

- (d) the transaction is covered by high-quality and liquid collateral received by the Fund under a title transfer arrangement.

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

4. In the event of insolvency of the Depositary to which custody of fund assets has been delegated, the assets of a Fund held in custody are unavailable for distribution among, or realisation for the benefit of, creditors of such a Depositary.
5. The Depositary may delegate its depositary duties under point 4 above to another company (sub-depositary) in accordance with the statutory provisions. Sub-depositaries may, in turn, delegate the depositary duties transferred to them in accordance with the statutory provisions. The Depositary may not transfer the duties described in points 2 and 3 above to third parties.
6. In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and the shareholders of the Fund.
7. No company shall act as both Management Company and Depositary.
8. The Depositary shall not carry out activities with regard to the Fund or the management company acting on behalf of the Fund that may create conflicts of interest between the Fund, the shareholders in the Fund, the Management Company, the delegates of the Depositary and itself. This does not apply if the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the shareholders of the Fund.
9. The Depositary shall be liable vis-à-vis the Fund and its unitholders for the loss by the Depositary or a third party to which the custody of financial instruments has been delegated.

In the case of a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of an identical type or a corresponding amount to the Fund or the Management Company acting on behalf of the Fund without undue delay. In accordance with the Law of 17 December 2010 and the applicable regulations, the Depositary shall not be liable if it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary is also liable to the Fund, and to the shareholders of the Fund, for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its statutory obligations.

The liability of the Depositary shall not be affected by any delegation as referred to in point 8.

Shareholders in the Fund may invoke the liability of the Depositary directly or indirectly through the Management Company provided that this does not lead to a duplication of redress or to unequal treatment of the shareholders.

***Article 36 Amendment of the Articles of Association***

These Articles of Association may be amended or supplemented at any time at the decision of the shareholders provided the conditions concerning amendments to the Articles of Association under the Law of 10 August 1915 are met.

***Article 37 General***

With regard to any points which are not set forth in these Articles of Association, reference is made to the provisions of the Law of 10 August 1915 and the Law of 17 December 2010.