

**UI**

*Société d'Investissement à Capital Variable*

Registered Office of the Company

15, rue de Flaxweiler  
L-6776 Grevenmacher  
Grand Duchy of Luxembourg

## **PROSPECTUS**

**May 2021**



## **IMPORTANT INFORMATION**

UI (the “Company” or “The Fund”) has the structure of an umbrella fund and offers various classes of shares (the “Share Classes”) each relating to a separate portfolio (the “Sub-Funds”) as specified in the description of the relevant Sub-Fund in Appendix.

The distribution of this Prospectus is not authorised unless accompanied by the Key Investor Information Document (“KIID”), the latest available annual report and accounts of UI and by the latest semi-annual report if published thereafter.

No person is authorised to give any information or to make any representation other than those contained in this Prospectus, and any subscription and / or purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information contained in this Prospectus shall be solely at the risk of the subscriber / purchaser.

Subscriptions can only be accepted if they are based on the Prospectus or on the KIID. No information other than that contained in this Prospectus or in the KIID may be given.

Distribution of this Prospectus and the offering of Shares may be subject to restrictions in certain jurisdictions. This Prospectus does not constitute an offer for sale or an invitation to purchase in a jurisdiction in which such an offer or invitation is not permitted, or in which the offer would be directed at persons to whom distributing such an offer or invitation would be prohibited by law.

Statements made in this Prospectus are based on the law and practice currently in force in the Grand Duchy of Luxembourg and are subject to changes therein.

This Prospectus in its current version may be amended and updated in the future.

All decisions to subscribe or purchase Shares are deemed to be made solely on the basis of the information contained in this Prospectus and the KIID accompanied by the latest available annual report of the Company containing its audited accounts, and by the latest available semi-annual report, if published thereafter. All other information given or representations made by any person must be regarded as unauthorised.

The Management Company and the Company reserve the right to reject, at their sole discretion, any subscription request for Shares and to accept any application in part only. The Company and the Management Company do not permit practices related to market timing and late trading and reserve the right to reject subscription and conversion orders from investors who the Company or the Management Company suspect of using such practices and to take the appropriate measures to protect other investors of the Company.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

### **US-Persons, Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)**

The Company is not registered under the United States Investment Company Act of 1940, as amended, or any similar or analogous regulatory scheme enacted by any other jurisdiction except as described herein. In addition, the shares of the Company are not registered under the United States Securities Act of 1933, as amended, or under any similar or analogous provision of law enacted by any other jurisdiction except as described herein. Therefore, shares in the Company must not be offered, sold, transferred or delivered in the United States of America, its territories or possessions, neither for or on account of US persons (in the context of the definitions for the purposes of US federal laws on securities, goods and taxes, including Regulation S in relation to the United States Securities Act of 1933; together “US-Persons”), except in a transaction which does not violate the applicable legislation. Any documents related to the Company must not be circulated in the United States of America.

In Luxembourg, the US Foreign Account Tax Compliance Act (FATCA) is based on the Intergovernmental Agreement (IGA) between the United States and Luxembourg (hereinafter referred to as “IGA Luxembourg-USA”) as implemented into Luxembourg law by the law of 24 July 2015 relating to FATCA (the “FATCA-Law”). According to the FATCA-Law, Luxembourg Financial Institutions may be required to collect and report information about financial accounts of certain US Persons to the competent tax authorities.

According to the current national Luxembourg FATCA legislation, the Fund qualifies as a “Restricted Fund” in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and

shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, units of the Fund must not be offered, sold, transferred or delivered to:

- Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,
- Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and
- Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.

In Luxembourg, the Common Reporting Standard (CRS) is based on the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation (the "CRS Law"). According to the current national Luxembourg CRS legislation, the Fund qualifies as a Financial Institution (Investment Entity) and is obliged to collect and to report certain information about financial accounts held by certain Unitholders to the Luxembourg tax authorities which subsequently exchange this information with the competent foreign tax authorities

Each Shareholder agrees to provide the Company with a Self-Certification form for purposes of FATCA and CRS and, if applicable, other documentation relating to or establishing such Shareholder's identity, jurisdiction of residence (or formation) and income tax status. The Shareholder has to undertake to advise the Company promptly and provide an updated Self-Certification form within 30 days where any change in circumstances occurs which causes any of the information contained in the form to be inaccurate or incomplete.

In the event the Company is required either to pay a withholding tax, or is forced to comply with reporting duties, or if it suffers any other damages, due to a Shareholder's non-compliance under FATCA or CRS, the Company reserves the right to claim damages from such Shareholder, without prejudice to any other rights.

Current and prospective investors are advised to direct any questions regarding FATCA/CRS and/or the FATCA classification and status of the Company toward their financial, tax, and/or legal advisors.

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## GENERAL PART

### INTRODUCTION

UI (the “Company” or the “Fund”) is an investment company with variable capital (*société d’investissement à capital variable, SICAV*) established for an unlimited period of time on 21 July 2015 in the form of a public limited company (*société anonyme, S.A.*) under Luxembourg law in accordance with the provisions of the Luxembourg law of 10 August 1915 (the “1915 Law”) on commercial companies, as amended (the “1915 Law”), and Part I of the Luxembourg law of 17 December 2010 (the “2010 Law”). The Company qualifies as an undertaking for collective investment in transferable securities under article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (the “UCITS Directive”) and may therefore be offered for sale in any EU Member State, subject to registration. The registration of the Company does not constitute a warranty by any supervisory authority as to the performance or the quality of the Shares issued by the Company. Any representation to the contrary is unauthorised and unlawful.

The capital of the Company consists of shares (the “Shares”) of no par value and is at any time equal to the total net assets of the Company. The Company is structured as an umbrella fund with the ability to provide investors with investment opportunities in a variety of investment portfolios (the “Sub-Funds”). The liabilities of each Sub-Fund shall be segregated on a Sub-Fund by Sub-Fund basis with third party creditors having recourse only to the assets of the Sub-Fund concerned.

Each Sub-Fund may offer one or several share classes (the “Share Classes”) for each Sub-Fund, each with different minimum subscription, dividend policies, fee structures or other characteristics and which may be denominated in various currencies. A separate net asset value per share (the “Net Asset Value”) shall be calculated for each issued Share Class in relation to each Sub-Fund. Some of these Sub-Funds or Share Classes may however not be available to all investors. The Company retains the right to offer only one or more Share Classes for purchase by investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason. The Company may further reserve one or more Sub-Funds or Share Classes respectively to institutional investors only. The different features of each Share Class and various conditions and restrictions on ownership of Shares are described in the relevant Sub-Fund Appendix.

If unit classes denominated in currencies other than the reference currency are formed, the risk of currency fluctuations can, in part, be reduced through the use of instruments and other techniques.

The objective of reducing currency fluctuations defined in the appendix for each sub-fund should be pursued with a hedging ratio of between 95% and 105%. However, there is no guarantee that this investment objective will be achieved.

This Prospectus consists of a general part (the “General Part”), containing all provisions which are applicable to all Sub-Funds and appendices (“Appendices”), describing the Sub-Funds and containing any provisions applicable to them. The Prospectus contains the Appendices for all Sub-Funds, and is available for inspection at the registered office of the Company. Prospectuses containing only one or several Sub-Fund Appendices may be prepared. The Prospectus may be amended or supplemented from time to time. In that case, the investors will be informed accordingly.

In addition, a Key Investor Information Document (“KIID”) is made available at latest the launch date of each relevant Share Class. By subscribing for new Shares, the investors confirm having received the KIID.

The mechanism for the calculation of the Issue Price per Share, plus the imposition of a subscription charge (if any), is set out in each case in the description of the relevant Appendix.

Any Shareholder may request the redemption of all or some of his Shares by the Company on each dealing date (the “Dealing Date”, being the valuation date (the “Valuation Date”) on which a Shareholder may subscribe, redeem or convert Shares as specified in the description of the relevant Appendix) and, subject to certain guidelines (detailed in the section entitled “Redemption of Shares by the Company”), the Company is obliged to redeem the Shares. The redemption price of such Shares (the “Redemption Price”) shall be equal to the Net Asset Value per Share less a redemption charge (if any) as specified in the relevant Sub-Fund Appendix.

The articles of incorporation of the Company (the “Articles of Incorporation”) contain certain provisions granting to the board of directors of the Company (the “Board of Directors”) the power to impose restrictions on the holding and acquisition of Shares (see section entitled “Restrictions on Ownership of Shares”). If a person subsequently becomes the owner of Shares in a situation described in the Company’s Articles of Incorporation

and if such fact comes to the attention of the Company, the Shares owned by that person may be compulsorily redeemed by the Company.

Prospective subscribers/purchasers of Shares must themselves obtain all necessary information as to the legal requirements, exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

## **MANAGEMENT AND ADMINISTRATION**

### **UI, as THE COMPANY**

15, rue de Flaxweiler  
L-6776 Grevenmacher  
Grand Duchy of Luxembourg

### **DIRECTORS OF THE COMPANY**

Ludmila Careri  
Chairwoman and Member of the Board

Member of the Management Board  
Universal-Investment-Luxembourg S.A.  
Grevenmacher / Grand Duchy of Luxembourg

Alexander Fischer  
Member of the Board  
Director Corporate Investment Services  
Universal-Investment-Luxembourg S.A.  
Grevenmacher / Grand Duchy of Luxembourg

Klaus Pyter  
Member of the Board  
Greenvest S.A.  
Moutfort / Grand Duchy of Luxembourg

### **MANAGEMENT COMPANY**

Universal-Investment-Luxembourg S.A.  
15, rue de Flaxweiler  
L-6776 Grevenmacher  
Grand Duchy of Luxembourg

Equity capital: EUR 21.821.675,90 (as at 30 September 2019\*)

### **MANAGEMENT BOARD OF THE MANAGEMENT COMPANY**

Sean O'Driscoll  
Chairman of the Management Board  
Universal-Investment-Luxembourg S.A.  
Grevenmacher

Ludmila Careri  
Member of the Management Board  
Universal-Investment-Luxembourg S.A.  
Grevenmacher

Matthias Müller  
Member of the Management Board  
Universal-Investment-Luxembourg S.A.  
Grevenmacher

### **SUPERVISORY BOARD OF THE MANAGEMENT COMPANY**

Michael Reinhard  
Chairman of the Supervisory Board  
Universal-Investment Gesellschaft mbH  
Frankfurt/M.



Frank Eggloff  
Member of the Supervisory Board  
Universal-Investment Gesellschaft mbH  
Frankfurt/M.

Markus Neubauer  
Member of the Supervisory Board  
Universal-Investment Gesellschaft mbH  
Frankfurt/M.

(\*Up-to-date information on the equity capital of the Management Company is provided in the latest Annual and Semi-Annual Reports.)

**DEPOSITARY,**

State Street Bank International GmbH, Luxembourg  
Branch  
49, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**REGISTRAR- TRANSFER AND PAYING AGENT**

State Street Bank International GmbH, Luxembourg  
Branch  
49, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**CENTRAL ADMINISTRATION, DOMICILIARY AND  
CORPORATE AGENT**

Universal-Investment-Luxembourg S.A.  
15, rue de Flaxweiler  
L-6776 Grevenmacher  
Grand Duchy of Luxembourg

**GLOBAL DISTRIBUTOR**

Universal-Investment-Luxembourg S.A.  
15, rue de Flaxweiler  
L-6776 Grevenmacher  
Grand Duchy of Luxembourg

**AUDITOR**

KPMG Luxembourg, Société coopérative  
39, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

## **SUB-FUND SPECIFIC SERVICE PROVIDERS**

### **UI – Petrus Advisers Special Situations Fund UCITS**

#### **PORTFOLIO MANAGER**

Petrus Advisers Ltd.  
6 New Street Square, New Letter Lane  
London EC4A 3AQ  
United Kingdom

#### **DISTRIBUTOR**

Petrus Advisers Ltd.  
6 New Street Square, New Letter Lane  
London EC4A 3AQ  
United Kingdom

### **UI – Aktia EM Frontier Bond+**

#### **PORTFOLIO MANAGER**

Aktia Bank Plc  
Arkadiankatu 4-6  
FI-00101 Helsinki  
Finland

#### **DISTRIBUTOR**

Aktia Bank Plc  
Arkadiankatu 4-6  
FI-00101 Helsinki  
Finland

### **UI – Aktia EM Local Currency Bond+**

#### **PORTFOLIO MANAGER**

Aktia Bank Plc  
Arkadiankatu 4-6  
FI-00101 Helsinki  
Finland

#### **DISTRIBUTOR**

Aktia Bank Plc  
Arkadiankatu 4-6  
FI-00101 Helsinki  
Finland

**UI – Four Seasons Alpha Max Japan Fund**

**PORTFOLIO MANAGER**

Four Seasons Asia Investment Pte.  
163 Penang Road, #04-02 Winsland House II  
Singapore 238463

**DISTRIBUTOR**

Four Seasons Asia Investment Pte.  
163 Penang Road, #04-02 Winsland House II  
Singapore 238463

**UI – Hansabay Blossom Fund**

**PORTFOLIO MANAGER**

HANSABAY LTE: LTD.  
9 Raffles Place  
# 57 – REPUBLIC PLAZA  
Singapore 048619

**DISTRIBUTOR**

HANSABAY LTE. LTD.  
9 Raffles Place  
# 57 – REPUBLIC PLAZA  
Singapore 048619

**UI - Cape Credit Fund**

**PORTFOLIO MANAGER**

Cape Capital AG  
Schipfe 2  
CH-8001 Zürich

**DISTRIBUTOR**

Universal Investment Gesellschaft mbH  
Theodor-Heuss-Allee 70  
D-60486 Frankfurt am Main

## **THE COMPANY**

The Company was established in Luxembourg on 21 July 2015 and is registered at the Register of Commerce and Companies of Luxembourg under number B 199203. The Company's articles of incorporation have been published in the RESA, Recueil électronique des sociétés et associations (the "RESA") on 14 August 2015.

The minimum share capital of the Company is the equivalent of EUR 1,250,000, which shall be reached within six (6) months from its constitution.

The Company has its registered office at 15, rue de Flaxweiler, L-6776 Grevenmacher, Grand Duchy of Luxembourg.

The Company has adopted the status of an investment company with variable capital and qualifies as a collective investment undertaking under Part I of the Luxembourg Law of the 2010 Law.

The Company was established for an unlimited period of time. Its financial year begins on 1 October and closes 30 September of each year.

## **THE MANAGEMENT COMPANY**

The Company is managed by Universal-Investment-Luxembourg S.A., a management company pursuant to Chapter 15 of the 2010 Law and as alternative investment fund manager pursuant to Chapter 2 of the Luxembourg law of 12 July 2013 on alternative investment fund managers as amended.

Universal-Investment-Luxembourg S.A., a public limited company subject to the laws of the Grand Duchy of Luxembourg was established on 17 March 2000 in Luxembourg for an unlimited period of time. It has its registered office at 15, rue de Flaxweiler, L-6776 Grevenmacher.

The Company's articles of incorporation have been filed with the commercial register of the District Court of Luxembourg and were published in the RESA on 3 June 2000. The last amendment to the articles of incorporation was published in RESA on 2 October 2014.

The object of the Management Company is the formation and management of investment funds subject to Luxembourg law and the performance of all activities associated with the launch and management of these funds.

The tasks assigned to the Management Company include portfolio management, risk management, administrative tasks and sales and marketing. These tasks may be partially or wholly delegated to third parties.

The Company can perform any other transactions and take any other measures that promote its interests or promote or are in any other way useful for its object, and are in accordance with Chapter 15 of the 2010 Law.

The names and sales documentation for all of the funds managed by the Management Company are available at the Company's registered office.

Furthermore, the Management Company can obtain advice from one or more investment advisers and/or may appoint one or more portfolio managers that receive a fee from the assets of the Company in return.

The Management Company is subject to the applicable regulatory provisions governing the establishment of remuneration systems in accordance with Chapter 15 of the Law of 2010. Universal-Investment has set out the detailed arrangements in its remuneration policy. The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the Universal-Investment-Luxembourg S.A. manages. The remuneration policy is in line with the business strategy, objectives, values and interests of Universal-Investment-Luxembourg S.A. and the UCITS that it manages and of the investors in such UCITS, and includes measures to avoid conflicts of interest.

At least once a year, a remuneration committee of the Universal-Investment Group checks the remuneration system of Universal-Investment for its adequacy and compliance with all legal provisions. It covers fixed and variable remuneration aspects.

The payment of performance-based remuneration is set in a multi-year framework in order to ensure that the payment of such remuneration is based on the long-term performance of the UCITS and its investment risks. Establishing ranges for the entire remuneration ensures that there is no significant dependence on the receipt of variable remuneration and that the relationship between the fixed and variable remuneration is appropriate. In addition to the aforementioned remuneration elements, employees of the Management Company can obtain voluntary employer benefits-in-kind as well as material and retirement benefits.

Further details on the Management Company's current remuneration policy have been published online at [www.universal-investment.com/en/Remuneration-system-Luxemburg](http://www.universal-investment.com/en/Remuneration-system-Luxemburg). They include a description of the valuation methods for remunerations and payments to certain employee groups, as well as details of the persons responsible for allocation, including the composition of the remuneration committee. On request, the Management Company will provide information in hard copy free of charge.

## **THE PORTFOLIO MANAGERS**

The Management Company may appoint different portfolio managers (each a "Portfolio Manager") for one or several Sub-Funds as shall be indicated in the relevant Sub-Fund Appendix. Each Portfolio Manager will, subject to the overall responsibility and control of the Management Company, make investment decisions and take responsibility for the day-to-day discretionary management of the assets of the relevant Sub-Funds.

A description of each Portfolio Manager is set forth in the relevant Appendix of each Sub-Fund. Upon new appointment or removal of a Portfolio Manager notice will be given to the investors concerned and the Prospectus will be updated accordingly.

Pursuant to the portfolio management agreements (the "Portfolio Management Agreements"), each Portfolio Manager, in accordance with the investment objective and policies of the relevant Sub-Fund adopted by the Company, manages the investment and reinvestment of the assets of such Sub-Fund and is responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by it at its discretion.

Under the Portfolio Management Agreements, each of the Portfolio Managers is entitled to receive an management fee calculated and payable as set out in the Appendix of the relevant Sub-Fund. A performance fee may also become payable on the terms set out in the description of the Sub-Fund in the relevant Appendix.

## **INVESTMENT ADVISERS**

The Management Company may appoint different investment advisers (each an "Investment Adviser") for one or several Sub-Funds as shall be indicated in the relevant Sub-Fund Appendix.

A Portfolio Manager may also appoint one or several Investment Advisers at its own cost and under its own responsibility, supervision, diligence and care.

The Investment Adviser monitors the security markets and analyses the composition of securities portfolios and other investment of Sub-Fund's assets. The Investment Adviser provides the Management Company/Portfolio Manager with investment recommendations taking into account the principles of the investment policy and investment limits described in the relevant Sub-Fund Appendix. However, the responsibility for all investment decisions remains with the Management Company/Portfolio Manager. The remuneration of the Investment Adviser is paid from the respective Sub-Fund's assets.

## **THE DEPOSITARY**

The Fund has appointed State Street Bank International GmbH, acting through its Luxembourg Branch as its Depositary within the meaning of the 2010 Law pursuant to the Depositary Agreement. State Street Bank International GmbH is a limited liability company organized under the laws of Germany, having its registered office at Brienner Str. 59, 80333 München, Germany and registered with the commercial register court, Munich under number HRB 42872. It is a credit institution supervised by the European Central Bank (ECB), the German Federal Financial Services Supervisory Authority (BaFin) and the German Central Bank. State Street Bank International GmbH, Luxembourg Branch is authorized by the CSSF in Luxembourg to act as depositary and is specialized in depositary, fund administration, and related services. State Street Bank International GmbH, Luxembourg Branch is registered in the Luxembourg Commercial and Companies' Register (RCS) under number B 148186. State Street Bank International GmbH is a member of the State Street group of companies having as their ultimate parent State Street Corporation, a US publicly listed company.

### **Depositary's functions**

The relationship between the Fund and the Depositary is subject to the terms of a Depositary Agreement Under these terms the Depositary is entrusted with the following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the articles of incorporation.
- ensuring that the value of the Shares is calculated in accordance with applicable law and the articles of incorporation.
- carrying out the instructions of the Company unless they conflict with applicable law and the articles of incorporation.
- ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits.
- ensuring that the income of the Company is applied in accordance with applicable law and the articles of incorporation.
- monitoring of the Company's cash and cash flows
- safe-keeping of the Company's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

### **Depository's liability**

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation, the Depository shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

The Depository shall not be liable if it can prove that the loss of a financial instrument held in custody 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 pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depository directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depository will be liable to the Company for all other losses suffered by the Company as a result of the Depository's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depository shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depository of its duties and obligations.

### **Delegation**

The Depository has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depository's liability shall not be affected by any delegation of its safe-keeping functions under the Depository Agreement.

The Depository has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at One Lincoln Street, Boston, Massachusetts 02111, USA, whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Management Company or at the following website: [www.statestreet.com/about/office-locations/luxembourg/subcustodians.html](http://www.statestreet.com/about/office-locations/luxembourg/subcustodians.html).

### **Conflicts of Interest**

The Depository is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depository or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

(i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;

(ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

(i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;

(ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;

(iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;

(iv) may provide the same or similar services to other clients including competitors of the Company;

(v) may be granted creditors' rights by the Company which it may exercise.

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

Where cash belonging to the Company is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Management Company may also be a client or counterparty of the Depositary or its affiliates.

Potential conflicts that may arise in the Depositary's use of sub-custodians include four broad categories:

(1) conflicts from sub-custodian selection and asset allocation among multiple sub-custodians influenced by (a) cost factors, including lowest fees charged, fee rebates or similar incentives and (b) broad two-way commercial relationships in which the Depositary may act based on the economic value of the broader relationship, in addition to objective evaluation criteria;

(2) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests;

(3) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depositary as its counterparty, which might create incentive for the Depositary to act in its self-interest, or other clients' interests to the detriment of clients; and

(4) sub-custodians may have market-based creditors' rights against client assets that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholder.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the depositary issues to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary further provides frequent reporting on clients' activity and holdings, with the underlying functions subject to internal and external control audits. Finally, the Depositary internally separates the performance of

its custodial tasks from its proprietary activity and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

#### **THE REGISTRAR- TRANSFER- AND PAYING AGENT**

With the consent of the Fund, the Management Company has appointed State Street Bank International GmbH, acting through its Luxembourg Branch also as registrar and transfer agent and paying agent of the Fund.

#### **THE DOMICILIARY AND CORPORATE AGENT**

Universal-Investment-Luxembourg S.A. has been appointed by the Company as Domiciliary and Corporate Agent as of 21 July 2015.

#### **THE INDEPENDENT AUDITOR**

KPMG Luxembourg, Société coopérative, as appointed Auditor, having its registered office in the Grand Duchy of Luxembourg at 39, Avenue John F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg register of commerce and companies under number B.149.133.

#### **INVESTOR PROFILE**

The investor profile of each Sub-Fund is described in the relevant Appendix of this Prospectus.

#### **GENERAL INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's assets can be invested in all types of assets authorised under the 2010 Law while observing the principle of risk spreading. The respective investment objective and policy of each Sub-Fund is set forth in the description of the relevant Appendix.

**Although the Company will do its utmost to achieve the investment objectives of each Sub-Fund, there can be no guarantee to which extent these objectives will be reached. Consequently, the net asset values of the Shares may increase or decrease and positive or negative returns of different levels may arise.**

#### **GENERAL INVESTMENT PRINCIPLES AND RESTRICTIONS**

The Company and its Sub-Funds are subject to the following general investment principles and restrictions for undertakings for collective investment in transferable securities, in accordance with the 2010 Law.

##### **1. Eligible investments**

- (a) The Company will invest only in:
  - (i) Eligible Transferable Securities and Money Market Instruments, which consists in:
    - transferable securities and money market instruments admitted to or dealt in on a stock exchange in an eligible state (within the meaning of Directive 2004/39/EG) (the "Eligible State", being any member of the Organisation for Economic Co-operation and Development ("OECD") and any other country of Europe, North and South America, Africa, Asia and the Pacific Basin);
    - transferable securities and money market instruments dealt in on another regulated market (the "Regulated Market") in an Eligible State, which operates regularly and is recognised and open to the public;
  - (ii) recently issued Eligible Transferable Securities and Money Market Instruments PROVIDED THAT:



- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the market has been provided for in the constitutional documents of the Company; and
- such admission is secured within one year of issue;

PROVIDED THAT the Company may also invest in transferable securities and money market instruments which are not Eligible Transferable Securities and Money Market Instruments provided that the total of such investments other than Eligible Transferable Securities and Money Market Instruments shall not exceed 10 per cent of the net assets of the relevant Sub-Fund;

(iii) UCITS authorised according to Directive 2009/65/EC, as may be amended from time to time and/or other UCIs within the meaning of Article 1, paragraph (2) first and second indents of said Directive, should they be situated in an EU Member State or not, PROVIDED THAT:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU Community law, and that co-operation between authorities is sufficiently ensured;
- the level of protection for shareholders in the other UCIs is equivalent to that provided for shareholders in a UCITS and in particular that the rules on asset segregation, borrowing, lending, uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as may be amended from time to time;
- the business of the other UCIs is reported in semi-annual 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 per cent of the UCITS's or the other UCI's assets, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;

A Sub-Fund can, under the conditions provided for in article 181 paragraph 8 of the 2010 Law, invest in Shares issued by one or several other Sub-Funds of the Company.

(iv) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve months, provided that the credit institution has its registered office in an EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the Commission de Surveillance du Secteur Financier ("CSSF") as equivalent to those laid down in EU law.

(v) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market; and/or financial derivative instruments dealt in over the counter ("OTC Derivatives"), PROVIDED THAT:

- the underlying consists of instruments covered by Article 41, paragraph (1) of the 2010 Law, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives as stated in the constitutive documents of the Company;
- the counterparties to OTC Derivative transactions are financial institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
- the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;

(vi) money market instruments other than those dealt in on a Regulated Market, which are liquid and whose value can be determined with precision at any time, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and PROVIDED THAT they are:

- issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the European Union or the European Investment Bank, a non-EU Member State or, in the case of a federal state, by one of the members making up the

federation, or by a public international body to which one or more EU Member States belong;  
or

- issued by a company any securities of which are dealt in on a Regulated Market; or
- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU Law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU Law; or
- issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second and the third indents above in this paragraph (vi) and provided that the issuer is a company whose capital and reserves amount to at least ten million Euros (Euro 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

However, the Company may acquire movable and immovable property which is essential for the direct pursuit of its business.

the Fund may invest up to 10% of its net fund assets in securities and money market instruments other than those named in 1 (a).

The Company may hold ancillary liquid assets.

## **2. Investment restrictions**

- (a) The Company may invest no more than 10 per cent of the net assets of the relevant Sub-Fund in transferable securities and money market instruments issued by the same issuing body. The Company may not invest more than 20 per cent of the net assets of the relevant Sub-Fund in deposits made with the same body.

The risk exposure to a counterparty of the Company in an OTC Derivative transaction, a security lending transaction or a repurchase agreement (or reverse repurchase agreement) may not exceed 10 per cent of the net assets of the relevant Sub-Fund when the counterparty is a credit institution referred to in paragraph (1) (a) (iv) above or 5 per cent of the net assets of the relevant Sub-Fund in other cases.

- (b) The total value of the transferable securities and money market instruments held by the Company in the issuing bodies in each of which it invests more than 5 per cent of the net assets of the relevant Sub-Fund must not exceed 40 per cent of the net assets of the relevant Sub-Fund. This limitation does not apply to deposits made with financial institutions subject to prudential supervision and to OTC Derivatives with such institutions. Notwithstanding the individual limits laid down in paragraph 2(a) above, the Company may not combine:

- investments in transferable securities or money market instruments issued by a single body;
- deposits made with a single body; and/or
- exposure arising from OTC Derivative transactions undertaken with a single body,

in excess of 20 per cent of the net assets of the relevant Sub-Fund.

- (c) The limit laid down in paragraph 2 (a), first sentence is increased to a maximum of 35 per cent if the transferable securities and money market instruments are issued or guaranteed by an EU Member State, its local authorities, by a non EU Member State or by public international bodies of which one or more EU Member States are members.

- (d) The limit laid down in paragraph 2 (a), first sentence is raised to a maximum of 25 per cent for certain Transferable Debt Securities if they are issued by a credit institution having its registered office in an EU Member State and which is subject, by law, to special public supervision designed to protect the holders of Transferable Debt Securities. In particular, sums deriving from the issue of such Transferable Debt Securities must be invested pursuant to the 2010 Law in assets which, during the

whole period of validity of such Transferable Debt Securities, are capable of covering claims attaching to the Transferable Debt Securities and which, in the event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

When the Company invests more than 5 per cent of its net assets in such Transferable Debt Securities as referred to in the preceding paragraph and issued by one issuer, the total value of these investments may not exceed 80 per cent of the value of the relevant Sub-Fund's net assets.

- (e) The transferable securities and money market instruments referred to in paragraphs 2 (c) and 2 (d) are not taken into account for the purpose of applying the limit of 40 per cent referred to in paragraph 2 (b).

The limits set out in paragraphs 2 (a), (b), (c) and (d) may not be combined; thus investments in transferable securities or money market instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with paragraphs 2 (a), (b), (c) and (d) shall under no circumstances exceed in total 35 per cent of the net assets of the relevant Sub-Fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in Directive 83/349/EU, as amended, or in accordance with recognised international accounting rules are regarded as a single body for the purpose of calculating the limits contained in paragraphs 2 (a) to (e).

The Company may invest in aggregate up to 20 per cent of the net assets of the relevant Sub-Fund in transferable securities and money market instruments within the same group.

- (f) **Notwithstanding paragraphs 2 (a) to (e) above, the Company is authorised to invest in accordance with the principle of risk spreading up to 100 per cent of the net assets of the relevant Sub-Fund in transferable securities and money market instruments issued or guaranteed by an EU Member State, by its local authorities, by another member of the OECD, the G20 as well as Hong-Kong and Singapore or by public international bodies of which one or more EU Member States are members, provided that the Company holds transferable securities from at least six different issues and transferable securities from one issue do not account for more than 30 per cent of the total net assets of the relevant Sub-Fund.**

(g)

(i) The Company or the Management Company may not acquire any Shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

(ii) Moreover, the Company may acquire no more than:

10 per cent of the non-voting Shares of the same issuer;

10 per cent of the Transferable Debt Securities of the same issuer;

25 per cent of the units of the same UCITS and/or other UCI;

10 per cent of the money market instruments issued by the same issuer.

(iii) The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of Transferable Debt Securities or money market instruments or the net amount of the transferable securities in issue cannot be calculated.

(iv) The limits contained in paragraphs (g) (i) and (g) (ii) are waived as regards

- transferable securities and money market instruments issued or guaranteed by a EU Member State or its local authorities;
- transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union;
- transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
- Shares held by UCITS in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in the transferable securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents for the UCITS the only way in which it can invest in the transferable securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State of the European Union complies with the limits laid down in Articles 43 and 46 and Article 48, paragraphs (1) and (2) of the 2010 Law. Where the limits set in Articles 43 and 46 of the 2010 Law are exceeded, Article 49 of the 2010 Law shall apply *mutatis mutandis*;
- Shares held by one or several investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on its or their behalf.

(h)

(i) The Company shall not acquire securities which entail unlimited liability;

(ii) The Company's assets must not be invested in real estate, precious metals, precious metal contracts, commodities or commodities contracts;

(iii) The Company shall not acquire Shares or units of UCITS and/or other UCIs for more than 10% of a single Sub-Fund's assets.

The investment policy of a Sub-Fund may derogate from the preceding restriction, provided that in such event the Company shall not invest more than 20 per cent of the net assets of the relevant Sub-Fund in a single UCITS or UCI as defined in point 1 (a) (iii) above. For the purposes of applying this investment limit, each compartment of a UCITS or UCI with multiple compartments shall be considered as a separate issuer, provided that the principle of segregation of liabilities of the different compartments is ensured in relation to third parties.

Investments in other UCIs may not exceed in aggregate 30 per cent of the net assets of the relevant Sub-Fund. When the Company has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in paragraphs 2 (a) to (e) above.

Notwithstanding the above, the Board of Directors may decide, under the conditions provided for in Chapter 9 of the 2010 Law, that a Sub-Fund ("Feeder") may invest 85% or more of its assets in units of another UCITS ("Master") authorised according to Directive 2009/65/EC (or a Sub-Fund of such UCI).

No subscription or redemption fees may be charged to the Company if the Company invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or the Portfolio Manager (the "Portfolio Manager", as further defined in the relevant Appendix) or by any other company with which the Management Company or the Portfolio Manager is linked by common management or control, or by a substantial direct or indirect holding. If the Company invests a substantial proportion of its net assets in other UCITS and/or UCIs then it shall disclose in its prospectus the maximum level of the management fees that may be charged both to the Company and to the other UCITS and/or UCIs in which it intends to invest. In its annual report the Company shall indicate the maximum percentage of management fees charged both to the Company itself and to the UCITS and/or other UCI in which it invests;

- (iv) the company may not purchase any Eligible Transferable Securities or Money Market Instruments on margin or make short sales of Eligible Transferable Securities or Money Market Instruments or maintain a short position. Deposits or other accounts in connection with derivative contracts such as option, forward or financial futures contracts, permitted within the limits described above, are not considered margins for this purpose;
- (v) the company may not borrow amounts in excess of 10 per cent of the net assets of the relevant Sub-Fund, taken at market value at the time of the borrowing provided that the borrowing is on a temporary basis; provided however that the Company may borrow amounts in excess of 10 per cent of the net assets of the Company, provided that the borrowing is to make possible the acquisition of immovable property essential for the direct pursuit of the Company's business; in such latter case these borrowings may not in any case exceed in total 15 per cent of the net assets of the Company;
- (vi) the company may not mortgage, pledge, hypothecate or in any manner encumber as security for indebtedness any securities owned or held by the Company, except as may be necessary in connection with the borrowings permitted by paragraph (e) above, on terms that the total market value of the securities so mortgaged, pledged, hypothecated or transferred shall not exceed that proportion of the Company's assets necessary to secure such borrowings; the deposit of securities or other assets in a separate account in connection with repurchase, reverse purchase agreements and derivative contracts such as option, forward or financial futures transactions shall not be considered to be mortgage, pledge, hypothecation or encumbrance for this purpose;
- (vii) The Management Company and the Company may not, without prejudice to the application of Articles 41 and 42 of the 2010 Law, grant loans or act as a guarantor on behalf of third parties; the above paragraph shall not prevent the Company from acquiring transferable securities, money market instruments or other financial instruments referred to in Article 41, paragraph (1), items e), g) and h) of the 2010 Law which are not fully paid;
- (viii) The Management Company and the Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in Article 41, paragraph (1), items e), g) and h) of the 2010 Law;
  - make investments in any assets involving the assumption of unlimited liability;
  - underwrite transferable securities of other issuers;
  - enter into securities lending transactions, repurchase agreements or reverse repurchase agreements except if and to the extent the Company complies with provisions of CSSF Circular 08/356 on rules applicable to undertakings for collective investment when they employ certain techniques and instruments relating to transferable securities and money market instruments.
- (ix) Further investment restrictions can be found under the overview of the relevant sub-fund.

The Company does not necessarily need to comply with the limits laid down in this section when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk-spreading, the Company may derogate from Articles 43, 44, 45 and 46 of the 2010 Law for a period of six months following the date of its authorisation.

If the limits referred to in the paragraph above are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

## **EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES**

In accordance with the general provisions governing the investment policy, the Management Company may make use of derivatives, securities financing transactions and other techniques and instruments for sub-funds to ensure efficient portfolio management. The counterparties and/or financial counterparties, as defined in Article 3, paragraph 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 official prudential supervision and belong to the categories approved by the CSSF. 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. The counterparties and/or financial counterparties must be subject to state supervision and have an equivalent rating.

The counterparties and/or financial counterparties are selected according to the following criteria:

Counterparties which are determined in conjunction with OTC transactions of the Management Company as a counterparty must successfully complete a due diligence test. The following information is requested as part of the due diligence test and analysed accordingly:

- Proof of professional experience in relevant markets and approval from the competent supervisory authority
- Creditworthiness (corporate and/or credit rating and balance sheet figures)
- Company formation documents
- Organisational chart of the legal entity with a discernible separation of functions and rules of representation
- Current annual report of the counterparty
- Current list of signatures

After a positive assessment of the due diligence test, framework contracts and hedging agreements are agreed upon with the counterparty based on which transactions can be conducted with the counterparty. The due diligence test is repeated on a regular basis by the Management Company.

These counterparties will essentially comprise recipients of the direct and indirect costs and fees incurred in this connection. The costs and fees to be paid to the respective counterparty or other third party will be negotiated on market terms.

In principle, the counterparties are not affiliated companies of the Management Company.

The use of derivatives or other techniques and instruments for efficient portfolio management must not, under any circumstances, cause the Company to deviate from its investment policy as described in this Prospectus, or expose the Company to additional significant risks that are not outlined in this Prospectus.

The Fund may reinvest cash which it receives as collateral in connection with the use of techniques and instruments for efficient portfolio management, pursuant to the provisions of the applicable laws and regulations, including CSSF Circular 08/356, as amended by CSSF Circular 11/512, and the ESMA Guidelines.

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

## **a) 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, increase returns, reduction of cost or risks or to generate additional capital or income. They may affect the performance of each (sub-)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 each sub-fund.

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

### **aa) Transferable 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.

In this context, in order to generate additional capital or income or to reduce its costs or risks, the respective sub-fund/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.

a) The respective (sub-)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 respective (sub-)fund must ensure that, at any time, it is able to recall securities transferred within the framework of securities lending and that transferable 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 respective (sub-)fund lends its transferable securities to companies affiliated with the (sub-)fund by way of common management or control, specific attention must be paid to any conflicts of interest that may arise therefrom. The respective (sub-)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 transferable 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 particular (sub-)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.

b) The respective (sub-)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 respective (sub-)fund's assets in accordance with its investment policy. Up to 100% of holdings in assets that can be the object of a securities loan may be lent. For each completed securities lending transaction, the respective (sub-)fund must ensure that the market value of the security is at least as high as the market value of the reused assets throughout the term of the lending agreement.

c) Receipt of appropriate collateral

Each sub-fund may include collateral in accordance with the requirements stated here in order to take into consideration the counterparty risk.

Each sub-fund must revalue the collateral received on a daily basis. The agreement between the sub-fund and the counterparty must stipulate that the provision of additional collateral might be required from the counterparty

within an extremely short timescale if the value of the collateral already provided proves to be insufficient in relation to the amount to be secured. In addition, the agreement must stipulate collateral margins which take into consideration the currency or market risks that are associated with the assets accepted as collateral.

The assets that can be accepted as collateral are listed in the section "counterparty risk".

If securities lending transactions are used, the proportion of assets under management which is expected to be used in these transactions will be published for the respective (sub-)funds in the section entitled "Information for Shareholders" on the website of the Management Company.

#### **ab) Securities repurchase agreements**

A repurchase agreement is a transaction pursuant to an agreement through which a counterparty sells securities or guaranteed rights to securities, and the agreement contains a commitment to repurchase the same securities or rights – or failing that, of securities with the same characteristics – at a fixed price and at a time fixed by the lender or to be fixed later; rights to securities may be the subject of such a transaction only if they are guaranteed by a recognised exchange which holds the rights to the securities, and if the agreement does not allow one of the counterparties to transfer or pledge a particular security at the same time to more than one other counterparty; for the counterparty that sells the securities, the transaction is a repurchase agreement, and for the other party that acquires it, the transaction is a reverse repurchase agreement;

On behalf of each (sub-)fund, the Management Company (acting as a buyer) may engage in transactions that include repurchase rights. Said transactions involve the purchase of securities where the contractual conditions grant the seller (counterparty) the right to buy back the sold securities from the (sub-)fund at a particular price and within a particular time period agreed between the parties upon conclusion of the agreement. On behalf of each (sub-)fund, the Management Company (acting as a seller) may engage in transactions where the contractual conditions grant the (sub-)fund the right to buy back the sold securities from the buyer (counterparty) at a particular price and within a particular time period agreed between the parties upon conclusion of the agreement.

The Management Company may enter into repurchase agreements either as the buyer or seller. However, any transactions of this kind are subject to the following guidelines:

a) Transferable securities may only be bought or sold via a repurchase agreement if the counterparty in the agreement is a financial institute that specialises in this type of transaction.

b) During the term of the repurchase agreement, the transferable securities that are the subject of the agreement may not be sold before the counterparty has exercised the right to repurchase the transferable securities or before the deadline for the repurchase has expired.

When the Management Company concludes a repurchase agreement, it must ensure that it is able, at any time, to recall the full amount of cash or to terminate the repurchase agreement on either an accrued basis or a market-to-market basis. In addition, the Management Company must ensure that it is able, at any time, to recall any transferable securities subject to the repurchase agreement and to terminate the repurchase agreement into which it has entered.

Up to 100% of the Fund's assets may be transferred to third parties as part of a repurchase agreement.

If repurchase agreements are used, the proportion of assets under management which is expected to be used in these transactions will be published for the respective (sub-)funds in the section entitled "Information for Shareholders" on the website of the Management Company.

#### **b) Swaps**

The Investment Manager may enter into swap transactions on behalf of the respective subfund in accordance with its investment principles.

A swap is an agreement between two parties whose subject is the exchange of cash flows, assets, income or risks. Swap transactions which can be entered into include but are not limited to; interest rate, currency, equity and credit default swaps.

An interest rate 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 to the adding of funds at a fixed rate of interest and the simultaneous allocation of funds at a variable interest rate, with the nominal sums of the assets not being swapped.



A currency swap is a swap that involves the exchange of principal and interest in one currency for the same in another currency.

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:

Asset swaps, also known as “synthetic securities”, are transactions that convert the earnings from a particular asset to another rate of interest (fixed or variable) or to another currency, by combining the asset (e.g. bond, floating rate note, bank deposit, mortgage) with an interest rate 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 in which at least one of the exchanged payment flows or income from an asset represents a share or a share index.

The contracting parties should not be in a position to exert any influence on the composition or management of the sub-Fund's investment portfolio or the underlying assets of the derivatives.

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

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

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

If total return swaps are used, the proportion of assets under management which is expected to be used in these transactions will be published for the respective (sub-)funds in the section entitled "Information for Shareholders" on the website of the Management Company.

### **c) Swaptions**

A swaption is the right, but not the obligation, to enter into a swap based on specified conditions, at a given time or within a given period. In other respects, the principles for swaptions are the same as those for options set out above.

### **d) Remarks**

The aforementioned techniques and instruments can, where appropriate, be amended by the Management Company if new instruments corresponding to the investment objective are offered on the market, which the respective sub-fund may apply in accordance with regulatory and statutory provisions.

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

## **1. Management of collateral for transactions with OTC derivatives and efficient portfolio management techniques**

The Company may contain collateral for transactions with OTC derivatives and reverse repos in order to reduce counterparty risk. As part of its securities lending transactions, the respective Sub-Fund must receive collateral whose value for the term of the agreement is equal to at least 90% of the total value of the loaned securities, taking into account interest, dividends, other possible rights and any agreed discounts or minimum transfer amounts.

In order to secure obligations, the Company may accept all collateral which corresponds to the rules of CSSF circulars 08/356, 11/512 and 14/592.

This collateral must be received prior to or at the time of the transfer of the loaned securities in the case of securities lending. If the securities are lent through intermediaries, the transfer of the securities prior to receipt of the collateral is permitted if the respective intermediary guarantees the proper completion of the transaction. Said intermediaries may provide collateral instead of the borrower.

In principle, the collateral for securities lending transactions, reverse repos and transactions with OTC derivatives, excluding currency futures transactions, must be provided in one of the following forms:

- liquid assets such as cash, short-term bank deposits, money market instruments pursuant to the definition in Directive 2007/16/EC of 19 March 2007, letters of credit and guarantees payable on first demand, which are issued by first-class credit institutions not connected to the counterparty, e.g. bonds issued by an OECD Member State or its regional bodies or by supranational institutions and authorities at community, regional or international level, or
- bonds which are issued or guaranteed by first-class issuers and are reasonably liquid.

Collateral which is not in the form of cash must be issued by a legal entity which is not connected to the counterparty.

If collateral is provided in the form of cash and, as a result, a credit risk arises for the respective Sub-Fund in connection with the administrator of said collateral, this is subject to the 20% restriction as stipulated in Article 43(1) of the 2010 Law. In addition, such cash collateral may not be held in custody by the counterparty unless said collateral is protected from the consequences of a payment default by the counterparty.

Non-cash collateral may not be held in custody by the counterparty unless it is properly separated from the counterparty's own assets.

If collateral meets a series of criteria such as the standards for liquidity, valuation, the credit rating of the issuer, correlation and diversification, it may be offset against the gross commitment of the counterparty. If collateral is offset, its value may be reduced by a percentage rate as a result of the price volatility of the collateral (a "discount") which may trigger, amongst other things, short-term fluctuations in the value of the commitment and the collateral.

The criteria for reasonable diversification with respect to the issuer concentration shall be considered to be met if the Sub-Fund receives a collateral basket for the efficient management of the portfolio or for transactions with OTC derivatives of which the maximum total value of the open positions in relation to a specific issuer does not exceed 20% of the net asset value. If the Sub-Fund has various counterparties, the various collateral baskets should be aggregated in order to calculate the 20% limit for the total value of the open positions in relation to a single issuer.

The discounts applied to collateral are influenced either by:

- the credit rating of the counterparty;
- the liquidity of the collateral;
- the collateral's price volatility;
- the credit rating of the issuer; and/or
- the country or the market on which the collateral is traded.

In order to adequately take into account the risks associated with the respective collateral, the Management Company determines whether the value of the collateral to be requested should be increased, or whether this value should be depreciated by a suitable conservative discount (haircut). The more volatile the value of the collateral is, the higher the discount will be.

The Administrative Board of the Management Company determines an internal regulation that defines the details on the above-mentioned requirements and values, particularly regarding the types of collateral accepted, the amounts to be added to and subtracted from the respective collateral, as well as the investment policy for liquid funds that are deposited as collateral.

The discounts applied will be examined at regular intervals and at least once a year to ensure that they are reasonable and, if necessary, shall be adjusted accordingly. Currently, the Management Company has determined the following requirements as well as applicable discounts and mark-ups in relation to the respective collateral:

**(a) Permitted collateral**

- Cash, call money with daily availability in EUR, USD, GBP or in the respective Fund currency. The delegee-bank shall be rated A or higher;

- government bonds, supra national bonds, government guaranteed bonds and bonds of German Federal States (“Bundesländer”);
- corporate bonds;
- covered bonds pursuant to the regulations of Germany (German “Pfandbriefe”) Denmark, Finland, France, Italy, Luxembourg, Norway, Sweden;”);
- bonds in general: unlimited maturity, but higher haircuts (see below);
- ordinary Shares and preference Shares from a permitted index (s. Appendix A of the internal regulation)

Transferable securities shall have one of the following currencies: EUR, USD, DKK or GBP.

The counterparty and issuer of the collateral shall not belong to the same group.

**(b) Forbidden collateral**

- Structured products (e.g. embedded options, coupon or notional depending from a reference asset or trigger, stripped bonds, convertible bonds);
- securitizations (e.g. ABS, CDO);
- GDRs (Global Depositary Receipts) and ADRs (American Depositary Receipts);

**(c) Quality requirements**

The emission-rating (lowest of S&P, Moody’s or Fitch) of bonds respectively the issuer-rating in case of Shares has to be of investment grade. Often, stricter requirements apply, e.g. AA rating, exemptions for determined funds are possible:

With respect to Funds, for which no collateral with a minimum rating of AA is available, a downgrade of the minimum rating within the range of investment-grade (at least equivalent to BBB-) is authorized. In this case higher haircuts have to be applied.

Collateral shall be rateable and liquid. Indicators for liquidity are:

- bid-ask-spread;
- existence of broker quotes;
- trade volume;
- time stamps respectively actuality of quotes.

The abovementioned indicators shall be evident on Bloomberg-pages with free access.

The issuer shall be legally independent from the counterparty.

**(d) Quantity requirements**

(1) Concentration risk in relation to the collateral portfolio should be avoided respectively limited by the following measures/limits:

- the proportion of sector and country (outside the EURO zone) per fund with respect to a counterparty shall be of a maximum of 30 % of the overall collateral;
- the nominal of bonds per fund shall with respect to all counterparties shall be of a maximum of 10 % of the overall issue volume;
- the volume with respect to Shares shall not exceed 50 % of the average daily volume (on the basis of the last 30 days on the main stock exchange) and 1 % of the market capitalization.

AAA-rated government bonds are not subject to the abovementioned limits.

(2) haircut

With respect to the fact that CSSF Circular 11/512 requires the implementation of points 2 and 3 of Box 26 of the ESMA Guidelines 10-788 whereupon “for the valuation of the collateral presenting a significant risk of value fluctuation, UCITS should apply prudent discount rates”, the Management Company has determined discounts with respect to the different asset classes.

The current haircuts are as follows:

- in case of Shares 25 %;
- in case of cash in a foreign currency 4 %;
- in case of government bonds and covered bonds depending on the residual maturity:

| <b>residual maturity</b> | <b>haircut</b> |
|--------------------------|----------------|
| 0 – 2 years              | 1 %            |
| 2 - 5 years              | 2 %            |
| 5 - 10 years             | 3 %            |
| > 10 years               | 5 %            |

The Management Company will examine the determined haircuts on a regular basis in order to identify if these values are still appropriate or if a revaluation is necessary given the current market conditions.

The Management Company (or its representatives) value(s) the collateral received on behalf of the Sub-Fund. If the value of the collateral already granted appears to be insufficient in relation to the amount to be covered, the counterparty must very quickly provide additional collateral. If the value is adequate, the exchange rate or market risks associated with the assets accepted as collateral will be taken into consideration by collateral margins.

The Company will ensure that its collateral rights can be enforced if an event requires the exercise thereof, i.e. the collateral must be available in such a form, either directly or via an intermediary of a first-class financial institution, or a wholly-owned subsidiary of said institution that allows the Company to acquire or value assets provided as collateral if the counterparty fails to meet its obligations to return the loaned securities.

Throughout the duration of the agreement, collateral may not be disposed of, provided as collateral in another form or pledged unless the respective Sub-Fund has other means of coverage.

If a Sub-Fund accepts collateral for at least 30% of its assets, it will check the associated risk including by way of regular stress tests, the effects of changes in the market value and the liquidity of the collateral under normal and exceptional conditions.

The description of each Sub-Fund in the relevant Appendix may contain additional parameters in this respect. In order to achieve the investment objective, the relevant Portfolio Manager may use (without limitation) the derivative instruments if and as provided in the relevant Sub-Fund Appendix.

The Company's annual report will contain information on income from efficient portfolio-management techniques for the Sub-Funds' entire reporting period, together with details of the Sub-Funds' direct (e.g. transaction fees for securities, etc.) and indirect (e.g. general costs incurred for legal advice) operational costs and fees, insofar as they are associated with the management of the corresponding Fund/Sub-Fund.

Universal-Investment-Luxembourg S.A., as Management Company of the Company, does not act as securities lending agent. If Universal-Investment-Luxembourg S.A. takes over this function and activity, the Prospectus will be updated accordingly.

The Company's annual report will provide details on the identity of Companies associated with Universal-Investment-Luxembourg S.A. or the Depositary of the Company, provided they receive direct and indirect operational costs and fees.

In principle, the counterparties are not affiliated companies of the Management Company.

The Management Company ensures that the collateral provided by a contracting partner is appropriately risk diversified in relation to issuers, among other things. It aggregates the collateral of the same issuers even if it is provided by numerous contracting partners. The collateral is valued according to the same methods as those used for assets held in the Fund.

Collateral in the form of cash may not be invested anew.

## **RISK MANAGEMENT PROCEDURE**

The Management Company has issued a risk management procedure describing all of the framework conditions, processes, measures, activities and structures that are relevant to the efficient and effective implementation and improvement of the risk management and risk reporting system. Pursuant to the 2010 Law and applicable regulatory circulars issued by the CSSF, the Management Company regularly sends a report to the CSSF about the risk management procedure that is applied. The regulatory circulars issued by the CSSF describe the code of conduct that undertakings for collective investment in transferable securities have to comply with as regards the application of a risk management procedure and the use of derivative financial instruments. In the regulatory circular of the CSSF, funds which are subject to Part 1 of the 2010 Law are referred to supplementary information on the use of a risk management procedure as defined in Article 42 (1) of the 2010 Law and on the use of derivative financial instruments as defined in Article 41 (1) g of that law.

The risk management policies mentioned in the regulatory circular must enable, among other things, the measurement of the market risk (including the overall risk), which could be significant for the fund in view of its investment objectives and strategies, the management style and methods used for the management of the fund and the valuation processes and which could therefore have a direct impact on the interests of the shareholders of the fund being managed.

To this end, the Management Company employs the following methods provided for in accordance with the legal requirements:

### *Commitment Approach:*

In the "Commitment Approach", the positions from derivative financial instruments are converted into their equivalent positions in the underlying assets using the delta approach (in the case of options). Netting and hedging effects between derivative financial instruments and their underlying assets are taken into account in the process. The total of these equivalent positions in the underlying assets may not exceed the total net value of the fund's portfolio.

### *VaR Approach:*

The Value-at-Risk (VaR) ratio is a mathematical and statistical concept, which is used as a standard measure of risk in the financial sector. The VaR indicates a portfolio's possible loss during a certain period of time (called the holding period), where there is a specific probability (called the confidence level) that it will not be exceeded.

### *Relative VaR Approach:*

In the relative VaR approach, the VaR (confidence level 99%, 1 day holding period, 1 year observation period) of the fund may not exceed the VaR of a reference portfolio by more than double in relation to the market risk potential of derivative-free reference assets. With this approach, the reference portfolio is strictly a representation of the fund's investment policy.

### *Absolute VaR Approach:*

In the absolute VaR approach, the VaR (99% confidence level, 1 day holding period, 1 year observation period) of the fund may not exceed 4.4% of the fund's assets.

### *Leverage:*

The use of derivatives can have a positive or negative major impact on the value of the fund's assets which could be higher compared to the direct investment into the asset. Due to these circumstances the investment into derivatives is connected to special risks.

Please note the leverage effect can turn out to be higher as the legal market risk limit from the VaR determination (max. 200%), since its calculation is based on the total nominal values of the derivatives (Sum of Notional) held by the fund. Any possible reinvestment effects arising from securities in repurchase agreements are also taken into account. The actual leverage, on the other hand, is subject to fluctuations on the security markets over the course of time and can therefore also turn out to be higher as expected as a result of exceptional market conditions.

As a result of the sum of notional calculation rules this, the leverage can be significant (in certain cases) and may not necessarily represent the exact leverage risk that the investor sees himself as facing. The expected leverage is therefore not a target value, but an expected value that may, as an average estimate, consist of lower and higher leverages. Consequently, the leverage is not an investment restriction and no compensation can be claimed in events of disregard.

Specific Information and the description of the Risk Management Procedure for each Sub-Fund will be described in the description of the Appendix relating to the relevant Sub-Fund.

## **RISK FACTORS**

The following statements are intended to inform Shareholders of the uncertainties and risks associated with investments and transactions in transferable securities, money market instruments, structured financial instruments and other financial derivative instruments. Shareholders should remember that the price of Shares and any income from them may fall as well as rise and that Shareholders may not get back the full amount invested. **Past performance is not necessarily a guide to future performance and Shares should be regarded as a medium to long-term investment.** Where the currency of the relevant Sub-Fund varies from the investor's currencies, or where the currency of the relevant Sub-Fund varies from the currencies of the markets in which the Sub-Fund invests, the prospect of additional loss (or the prospect of additional gain) to the investor is greater than the usual risks of investment.

Investment objectives express an intended result but there is **no guarantee** that such a result will be achieved. Depending on market conditions and the macro- economic environment, investment objectives may become more difficult or even impossible to achieve. **There is no express or implied assurance as to the likelihood of achieving the investment objective for a Sub-Fund.**

The investment performance of each Sub-Fund is directly related to the investment performance of the underlying investments held by such Sub-Fund. The ability of a Sub-Fund to meet its investment objective depends upon the allocation of the Sub-Fund's assets among the underlying investments and the ability of an underlying investment to meet its own investment objective. It is possible that an underlying investment will fail to execute its investment strategies effectively. As a result, an underlying investment may not meet its investment objective, which would affect the Sub-Fund's investment performance.

### **General risks**

#### **Market risk**

The following risks may have a negative impact on the performance of the Fund/Sub-Fund and the assets held in the Fund/Sub-Fund and may therefore also have a detrimental effect on the unit value. If the investor sells units in the investment fund at a time when the market price of assets in the investment fund has decreased compared to when the unit purchase was made, it will not or not entirely get back the money it invested in the investment fund. The investor may lose part or even all of the capital it has invested in the Fund/Sub-Fund. The assets in which the Company invests for the account of the Fund/Sub-Fund involve risks. Losses can occur if the market value of the assets decreases compared to the cost price or spot and futures prices develop differently. However, the investor's risk is limited to the amount invested. Investors are not obliged to provide any supplementary funding in addition to the money invested. The performance of financial product prices or the market value particularly depends on that of the capital markets which in turn is affected by the general situation of the global economy and the economic and political situations in the relevant countries. Irrational factors such as sentiment, opinions and rumours may, in particular, have an impact on the general trend of a stock market. Fluctuations in the prices and market values may also lead to changes in interest rates, exchange rates or the creditworthiness of an issuer.

#### **Liquidity risk**

Liquidity risk is the risk that a position in the investment fund portfolio cannot be sold, liquidated or concluded within a sufficiently short period with limited costs and that this hinders the ability of the investment fund to meet the requirements for fulfilling the redemption request or other payment obligations. The following risks may therefore have a negative impact on the liquidity of the Fund. This may lead to the Fund/Sub-Fund not being able to meet its payment obligations temporarily or permanently and not being able to fulfil the redemption requests temporarily or permanently. The investor may not be able to hold its investment for the length of time envisaged and the invested capital or parts thereof may not be available to it for an indefinite period. The net asset value of the Fund/Sub-Fund and therefore the unit value may also drop through the realisation of liquidity

risks, for example if the Company is forced to sell the assets for the Fund/Sub-Fund below the market value as far as is legally possible.

### **Derivatives**

In addition to the disproportionately high profit opportunities, a potentially significant loss of the invested capital cannot be ruled out when trading derivatives. Financial instruments aimed at changing or replacing the investment result of certain securities, currencies, markets, etc. are also mainly associated with a counterparty risk. In addition to stock exchanges, the markets on which derivatives can be traded include the over-the-counter market and the interdealer market. In contrast to participants on the "exchange-based" markets, the participants on each of these markets are generally not subject to a credit check or regulatory inspections. The Fund/Sub-Fund is therefore subject to the risk that a counterparty cannot conclude a transaction in accordance with the stipulated provisions and conditions due to credit or liquidity difficulties. Delays in the conclusion of these transactions may also occur as a result of disputes relating to contractual conditions (even those they are brought about maliciously) as these markets do not stipulate any fixed rules and procedures for settling disputes quickly as is the case for the market participants of "exchange-based" markets. These factors may lead to the Fund/Sub-Fund suffering losses in relation to conducting replacement transactions or other losses due to a negative market trend. The counterparty risk, for example, occurs with all swaps and even increases for agreements with longer terms to the extent that incidents may occur at any time which hinder the completion of transactions, especially if the transactions were focused on a single counterparty or a small group of counterparties.

Futures contracts are generally concluded with the broker as a principal and not with an agent. The Fund/Sub-Fund may therefore be exposed to the insolvency risk of the broker.

Margin funds which are deposited with a broker may be pooled with other margin funds with this broker and are therefore subject to an insolvency risk of said broker. Customer accounts may also be subject to what is known as averaging in the event of the broker becoming insolvent resulting in not all money paid being refunded.

### **Options and futures contracts**

Options and futures contracts which are often used to hedge investments are associated with high investment risks. These risks mainly occur as a result of the volatility of investments. The rights which the Fund/Sub-Fund acquires from these futures contracts may lapse or decrease in value because these transactions only ever provide limited rights. The shorter the duration, the greater the risk may be. The risk of loss cannot be determined for liabilities from futures contracts and may also exceed the margins to be paid. The minimal requirements for margin payments result in a significant leveraging effect which is clearly reflected in a profit as well as a loss. Transactions through which it is intended to restrict or even exclude the risks arising through financial futures transactions (closing transactions) may possibly not be conducted or only conducted at a loss-making price.

### **Off-market futures transactions (forward trading)**

Unlike futures contracts, forward contracts are not traded on stock exchanges and are not standardised (these are referred to as OTC (= over the counter) transactions). Instead, banks and traders trade on these markets as principals with each transaction being negotiated separately. Futures and spot transactions are essentially not regulated; there are neither restrictions on the daily price fluctuation nor for speculative positions. The principals conducting futures transactions are not obligated to continue receiving buy and sell orders in relation to currencies or goods which they trade with and there may temporarily only be minimal liquidity on these markets with these periods potentially lasting a long time. It has already been the case that the participants in these markets have not been able to submit any price quotations for certain currencies or goods or price quotations with an unusually large margin between the price at which they were ready to buy and the price at which they were ready to sell. There may be disruptions to all markets in which the Fund/Sub-Fund has invested as a result of an unusually large trading volume, political interventions or other factors. The Fund/Sub-Fund may therefore suffer significant losses due to market liquidity or disruptions.

## **Swaps**

If the contracting partner of a swap does not meet its contractual obligations at all, only in part or with a delay, the Fund/Sub-Fund will experience losses. The Fund/Sub-Fund may also suffer losses through changes to the asset underlying the swap if the expectations of the market development are not met. There are exchange rate risks with swaps which convert into foreign currencies. The required conclusion of an offsetting transaction (closing) is associated with costs. Swaps are transactions which are not approved for trading on a stock exchange or in an organised market. The sale of swaps to third parties and the closing transaction may therefore be difficult or associated with significant costs.

### **Counterparty risk including credit and receivable risk**

The following risks may have a negative impact on the performance of the Fund/Sub-Fund and may therefore also have a detrimental effect on the unit value. Counterparty risk is the risk of loss for an investment fund which results from the fact that the counterparty of a transaction may not be able to meet its obligations when settling payment obligations. If the investor sells units in an investment fund at a time when a counterparty or a CCP has defaulted and there has been a negative impact on the value of the Fund/Sub-Fund, the investor will not or not completely be able to get back the money it has invested in the Fund/Sub-Fund. The investor may therefore lose part [or even all] of the capital it has invested in the Fund/Sub-Fund.

### **Counterparty default risk / Counterparty risks (except CCP)**

In general, there is less regulation and supervision of transactions in the OTC markets (in which forward and option contracts, credit default swaps, total return swaps and certain options on currencies and other financial derivative instruments are generally traded) than of transactions entered into on organized stock exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, a Sub-Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. The Sub-Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. In addition, as the OTC market may be illiquid, it might not be possible to execute a transaction or liquidate a position at the price it may be valued in the Sub-Fund.

The Company may suffer losses through an issuer or counterparty defaulting. The issuer risk describes the effect of specific developments of the issuer which aside from the general trends of the capital markets also have an impact on the price of a security. Even if securities are chosen carefully, losses through the financial collapse of issuers cannot be ruled out. The party of an agreement concluded for the account of the Fund/Sub-Fund may default in whole or in part (counterparty risk). This applies to all agreements including securities financing transactions which are concluded for the account of an Fund/Sub-Fund.

The Company will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

### **CCP risks**

A CCP enters into certain transactions for an Fund/Sub-Fund as an intermediary institution, especially into transactions with derivative financial instruments. In this case, it acts as the buyer in relation to the seller and as the seller in relation to the buyer. A CCP hedges its counterparty default risks through a series of protective mechanisms which enables it to offset losses from the transactions entered into at any time, for example through margin payments (e.g. collateralisation). Despite these protective mechanisms, the possibility of a CCP defaulting cannot be ruled out and this may also result in the claims of the Company for the Fund/Sub-Fund being affected. This may lead to losses for the Fund/Sub-Fund which are not hedged.

### **Operational and other risks**

The following risks may have a negative impact on the performance of the Fund/Sub-Fund and may therefore also have a detrimental effect on the unit value. Operational risk is the risk of loss for an investment fund which results from insufficient internal processes and from human or system error in the company or from external incidents and includes legal, documentation and reputation risks as well as risks which result from the trading, invoicing and valuation procedures carried out for an investment fund. If the investor sells units in the Fund/Sub-Fund at a time when the market price of assets in the Fund/Sub-Fund has decreased compared to the time of



unit purchase, it will not or not entirely get back the money it invested in the Fund/Sub-Fund. The investor may lose part or even all of the capital it has invested in the Fund/Sub-Fund.

#### Depository risk

A risk of loss, which may result from insolvency, breaches of the duty of care and force majeure, is associated with holding the assets in custody, especially abroad.

#### Concentration risk

A risk can arise from a concentration of investment in certain assets or markets. Then the Fund/Sub-Fund is particularly heavily dependent on the performance of these assets or markets.

#### General security risks

When selecting the assets the expected performance of the assets is in the foreground. At the same time it must be considered that securities also bear risks as well as the opportunities of price gains and revenue, since the prices can fall below acquisition prices.

#### Company-specific risks

Company-specific risks describe the risks, which have directly and indirectly to do with the Fund/Sub-Fund itself. This means in particular the situation of the fund/sub-fund in the market environment, management decisions and similar circumstances that directly concern the fund/sub-fund. Among the general conditions are especially the inflation rate, the level of base rates, fiscal and legal conditions and the general market psychology. It can be observed over and over again that Shares or whole stock markets are subject to considerable price fluctuations and evaluation fluctuations without the general conditions changing.

#### Special features of Shares

Shares and securities with share-like character (e.g. index certificates) are subject to large price fluctuations from experience. Therefore they offer opportunities of considerable price gains, which are nevertheless set against comparable risks. Influencing factors on share prices are primarily the profit performance of individual companies and sectors as well as whole-economy developments and political perspectives, which determine the expectations on the security markets and thereby the formation of rates.

#### Special features of fixed interest securities

Influencing factors on price changes of fixed interest securities are primarily the interest rate developments on the capital markets, which in turn are influenced by whole-economy factors. When capital market interest rates rise, fixed interest securities can suffer falls in prices, while they can report price increases when capital market interest rates fall. The price changes are also dependent on the term or remaining term of the fixed interest securities. As a rule, fixed interest securities with shorter terms exhibit lower price risks than fixed interest securities with longer terms. On the other hand, however, lower yields and higher reinvestment costs have to be taken into account due to the more frequent maturities of the security portfolio.

#### The creditworthiness risk

Even with the careful selection of the securities to be purchased, the creditworthiness risk, i.e. the loss risk through inability of issuers to pay (issuer risk), cannot be ruled out.

#### The credit risk

The Fund/Sub-Fund can invest part of its assets in government and company bonds. The issuers of these bonds can become insolvent in some circumstances, whereby the value of the bonds can be lost wholly or partly. Because of the dependence on the creditworthiness of the issuer and the general market liquidity there can be increased volatility.

#### Country risk

To the extent that the fund/sub-fund focuses on certain countries within the context of its investment, this also reduces the spread of risks. As a result of this the fund/sub-fund is dependent to a particular extent on the development of single or related countries or on the companies registered or active in these countries.

## Risks in Investing in Emerging and Frontier Markets

The political and economic situation in countries with emerging and frontier markets can be subject to significant and rapid changes. Such countries may be less stable politically and economically in comparison to more developed countries and be subject to a considerable risk of price fluctuations. This instability is caused among other things by authoritarian governments, military involvement in political and economic decision making, hostile relations with neighbouring states, ethnic and religious problems and racial conflicts, etc. These, as well as unexpected political and social developments, can have an effect on the value of the investments of the Fund/Sub-Fund in these countries and also affect the availability of the investments. Moreover the payment of earnings from the redemption of Shares of the Fund/Sub-Fund investing in the emerging and frontier market can be delayed in some circumstances. Due to the fact that the security markets are very inexperienced in some of these countries and that the number of the tradable volumes can possibly be limited, there may be increased illiquidity of the Fund/Sub-Fund as well as an increased amount of administration that must be carried out before the acquisition of an investment.

Investments issued by companies domiciled in countries with emerging and frontier markets can be affected by the fiscal policy. At the same time it must be noted that no provision is made to safeguard existing standards. This means that fiscal provisions especially can be changed at any time and without prior notice, and in particular retroactively. Such revisions can have negative effects for the investors in certain circumstances.

Furthermore, the regulation of stock exchanges, financial institutions and issuers as well as government prudential supervision may be less reliable than in industrial nations. Under certain conditions, the processing and settlement conditions in emerging markets may not be very well organised. Due to this, there is a risk that transactions could be delayed and the sub-funds liquid funds or securities jeopardised. The sub-fund and its shareholders bear these and similar risks associated with these markets.

### Emerging Markets – Custody risk

The Sub-Funds may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the relevant Sub-Fund which are traded in such markets and which have been entrusted to correspondents, in circumstances where the use of such correspondents is necessary, may be exposed to risk in circumstances whereby the Depositary will have no liability.

### Emerging Markets – Liquidity risk

The Sub-Fund(s) may invest in financial assets on markets which are less liquid and more volatile than the world's leading stock markets and this may result in greater fluctuations in the price of Shares of the Sub-Fund. There can be no assurance that there will be any market for an asset acquired in an emerging market and such lack of liquidity may adversely affect the value or ease of disposal of such Investments.

### Special features of structured products

When investing in certificates and structured products, the risk characteristics of derivatives and other special investment techniques and financial instruments must be considered as well as the risk characteristics of securities. Generally they are also exposed to the risks of their underlying markets and/or underlying instruments and therefore often entail increased risks. Potential risks of such instruments can arise for example from the complexity, non-linearity, high volatilities, low liquidity, limited means for valuation, risk of absence of income, or even total loss of the invested capital or from the counterparty risk.

### Currency risks

When investing in foreign currencies and in transactions in foreign currencies there are chances and risks of changes in exchange rates. It must also be borne in mind that investments in foreign currencies are subject to a so-called transfer risk.

### Currency hedging transactions

Currency hedging transactions serve to reduce exchange rate risks. Because these hedging transactions can occasionally only partially protect the Fund's assets or protect against exchange rate losses to a limited extent it can, however, not be ruled out that exchange rate changes can negatively influence the performance of the Fund's assets.

### Forward exchange contracts

The costs and possibly losses arising from forward exchange contracts and/or the acquisition of corresponding option rights and warrants, reduce the performance of the Fund. Transactions with forwards, particularly those traded over the counter, bear an increased counterparty risk. In the event that its counterparty fails it is possible that the Fund will not receive the expected payments or counter values. This can lead to a loss.

#### Risk associated with the use of securities lending transactions and repos

In the event of default by the counterparty of a securities lending transaction or repo, the Fund may suffer a loss to the extent that the income from the sale of collateral held by the Fund in connection with the securities lending transaction or repo is less than the securities handed over. In addition, the Fund may also suffer losses as a result of the bankruptcy or other corresponding similar proceedings against the counterparty of the securities lending transaction or repo or any other form of failure to comply with the return of securities, such as the loss of interest or loss of the respective security as well as default and enforcement costs in connection with the securities lending transaction or repo. It is to be assumed that the use of an acquisition with a repurchase option or a reverse repurchase agreement and securities lending agreement will have no significant effect on the performance of the respective Sub-Fund. However, this use may have a significant effect — which may be either positive or negative — on the net asset value of the Sub-Fund.

#### Note on borrowing by the Fund

The interest accrued for borrowing reduces the performance of the Fund. These burdens are, however, set against the opportunity of increasing the income of the Fund by raising credit.

#### Measures for risk reduction and risk avoidance

The Management Company and/or Investment Adviser and/or Portfolio Manager try to optimise the opportunity/risk ratio of a security investment using modern analysis methods. At the same time the Fund's liquid funds serve the goal of the investment policy by reducing the influence of possible price reductions in the security investments within a framework of shifting and temporary higher cash balances. Nevertheless no assurance can be given that the goals of the investment policy will be achieved.

#### Credit Default Swaps

Credit Default Swaps (CDS) normally serve to protect from creditworthiness risks, which arise for an investor or a fund from the purchase of bonds and from lending. These are agreements between two parties, whereby the secured party makes premium payments to the security provider over the term of the cover so that he will be compensated for losses in the future (credit default payment), if the creditworthiness of the issuer should deteriorate or the issuer fails (credit event). The counterparties are first class financial institutions, which are specialised in such transactions.

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

The Company may enter into derivative transactions for the Fund/Sub-Fund for the purposes referred to below under the bullet point "EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES". The increased opportunities are associated with increased risks of losses. The profit opportunities of the Fund/Sub-Fund may also be reduced as a result of hedging losses with derivatives.

The purchase and sale of options and the conclusion of forward contracts or swaps are associated with the following risks:

- Price changes to the underlying asset may reduce the value of an option or forward contract until they become worthless. The Fund/Sub-Fund may also suffer losses through changes in value to the asset underlying a swap.
- The required conclusion of an offsetting transaction (closing) is associated with costs.
- The value of the Fund's assets may be more significantly influenced by leveraging options than is the case with the direct acquisition of the underlying assets. The risk of loss cannot be determined upon the conclusion of the transaction.
- A liquid secondary market may be lacking for a certain instrument at a particular point in time. This may make it impossible under certain circumstances for a derivatives position to be economically neutralised (concluded).

- Purchasing options bears the risk that the option will not be exercised because the prices of the underlying assets did not develop as expected and the option premium paid by the Fund/Sub-Fund lapses. When selling options, there is the risk that the Fund/Sub-Fund is obligated to purchase assets at a market price higher than the current one or to deliver assets at a market price lower than the current one. The Fund/Sub-Fund then suffers a loss in the amount of the price difference less the collected option premium.
- There is the risk with forward contracts that the Company is obligated to bear the difference between the underlying price upon conclusion of the transaction and the market price at the time of closing or the due date of the transaction. This would result in losses for the Fund/Sub-Fund. The risk of loss cannot be determined upon the conclusion of the forward contract.
- The forecasts made by the Company about the future development of underlying assets, interest rates, prices and exchange markets may in retrospect prove to be incorrect.
- The assets underlying the derivatives may not be bought or sold at an opportune moment or must be bought or sold at an unfavourable time.
- Potential losses may arise through the use of derivatives which are unforeseeable and could even exceed the margin payments.
- The following risks may occur from over-the-counter (OTC) transactions:
  - An organised market may be lacking which may prevent the Company from being able to sell the financial instruments acquired on the OTC market for the account of the Fund/Sub-Fund if at all.
  - The conclusion of an offsetting transaction (closing) may be difficult, impossible and associated with significant costs due to the individual agreement.

#### Risks in relation to receiving collateral

- The Company receives collateral for derivative transactions, securities loan transactions and repos. Derivatives, loaned securities or securities issued in a pension may increase in value. The provided collateral may then no longer be sufficient to completely cover the delivery and retransfer requirement of the Company to the counterparty.
- The Company may invest cash collateral into blocked accounts, in high-grade government bonds or in money market funds with a short maturity structure. However, the financial institution which holds the bank deposits may default. Government bonds and money market funds may develop negatively. Once the transaction has been completed, the full amount of the invested collateral may no longer be available even though it must be reimbursed by the Company for the Fund at the originally granted amount. The Company may then be obligated to increase the collateral to the granted amount for the account of the Fund and therefore to offset the loss incurred through the investment.

#### Risks associated with Shares of the Company

The investment in fund Shares is a form of investment that is characterised by the principle of risk spreading. It cannot, however, be ruled out that the risks associated with an investment in fund Shares, which result in particular from the investment policy of the fund, the value of assets contained in the fund and the share business, might exist. Fund Shares are comparable with securities as regards their opportunities and risks and in particular also in combination with instruments and techniques, where applicable. In the case of funds Shares denominated in foreign currencies, there are exchange rate opportunities and risks. It must also be considered that such Shares are subject to a so-called transfer risk. The purchaser of Shares will only achieve a profit on the sale of his Shares if their growth in value exceeds the front-end load paid on their purchase, taking into account the redemption commission. The front-end load can reduce the performance for the investor or even lead to losses in the case of only short periods of investment. A loss risk can be associated with the custody of assets, especially abroad, which can result from the insolvency, breaches of the duty of care or abusive conduct of the depositary or a sub-depositary (custodial risks). The Fund may become the victim of fraud or other criminal activities. It may sustain losses through misunderstandings or errors by employees of the Management Company or external third parties or be damaged by external events such as natural disasters (operational risks).

## Legal and Tax Risk

The legal and tax treatment of funds can change unpredictably and in ways that cannot be influenced.

Under the version of the German Investment Tax Act in force until the end of 2017, taxes are levied at investor level only, not at fund level. This will change once the Investment Tax Reform comes into force on 1 January 2018.

As of that date, certain income generated in Germany (in particular income from dividends, rent, and capital gains from the sale of real property) will be taxed at fund level. Exceptions are possible only in the event the fund units are held by investors entitled to tax relief or held by certain retirement or pension plans (Riester/Rürup pension plans). In addition, it will no longer be possible to deduct at investor level the withholding tax collected on the basis of the income generated by the fund.

The foregoing notwithstanding, investors may, subject to certain conditions, be entitled to receive a fixed sum of the fund-generated income tax-free (referred to as "partial relief"). However, as the partial relief is granted as a fixed-sum basis, this mechanism does not guarantee the taxes will be fully offset in each case.

**Specific risks inherent with investing in the Sub-Funds are described in the relevant Appendix of this Prospectus.**

## DETERMINATION OF NET ASSET VALUE

The Net Asset Value per Sub-fund, Net Asset Value per Share, Net Asset Value per Class, the Redemption Price of Shares and the Issue Price of Shares shall be determined on each Valuation Date, at least twice a month. The Valuation Dates for each Sub-Fund are indicated in the relevant Appendix.

The Net Asset Value of each Sub-Fund and the Net Asset Value of the relevant Class shall be expressed in the currency of each Sub-Fund as described in the relevant Appendix. Whilst the reporting currency of the Company is the Euro, the Net Asset Value is made available in the currency of each Sub-Fund as described in the relevant Appendix. The Net Asset Value shall be determined on each Valuation Date separately for each Share of each Sub-Fund and for each Class dividing the total Net Asset Value of the relevant Sub-Fund and of the relevant Class by the number of outstanding Shares of such Sub-Fund and of the relevant Class.

The Net Asset Value shall be determined by subtracting the total liabilities of the Sub-Fund or Class from the total assets of such Sub-Fund or Class in accordance with the principles laid down in the Company's Articles of Incorporation and in such further valuation regulations as may be adopted from time to time by the Board of Directors.

## Valuation of Investments

Investments shall be valued as follows:

- (1) The value of any cash in hand or on deposit, discount notes, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such provision as the Company may consider appropriate in such case to reflect the true value thereof.
- (2) The value of all securities which are listed on an official stock exchange is determined on the basis of the last available prices. If there is more than one stock exchange on which the securities are listed, the Board of Directors may in its discretion select the stock exchange which shall be the principal stock exchange for such purposes.
- (3) Securities traded on a regulated market are valued in the same manner as listed securities.
- (4) Securities which are not listed on an official stock exchange or traded on a regulated market shall be valued by the Company in accordance with valuation principles decided by the Board of Directors, at a price no lower than the bid price and no higher than the ask price on the relevant Valuation Date.
- (5) Derivatives and repurchase agreements which are not listed on an official stock exchange or traded on a regulated market shall be valued by the Company in accordance with valuation principles decided by the Directors on the basis of their marked-to-market price.
- (6) Term deposits shall be valued at their present value.
- (7) Traded options and futures contracts to which the Company is a party which are traded on a stock, financial futures or other exchange shall be valued by reference to the profit or loss which would arise on closing out the relevant contract at or immediately before the close of the relevant market.

All securities or other assets for which the valuation in accordance with the above sub-paragraphs would not be possible or practicable, or would not be representative of their fair realisation value, will be valued at their fair realisation value, as determined in good faith and prudently pursuant to the procedures established by the Board of Directors.

Amounts determined in accordance with such valuation principles shall be translated into the currency of the Sub-Fund's accounts at the respective exchange rates, using the relevant rates quoted by a bank or another first class financial institution.

### **Valuation of Liabilities**

The liabilities of the Company shall be deemed to include:

- (1) all borrowings, bills and other amounts due;
- (2) all administrative expenses due or accrued including (but not limited to) the costs of its constitution and registration with regulatory authorities, as well as legal and audit fees and expenses, the costs of legal publications, the cost of listing, prospectus, financial reports and other documents made available to Shareholders, translation expenses and generally any other expenses arising from the administration of the Company;
- (3) all known liabilities, due or not yet due including all matured contractual obligations for payments of money or property, including the amount of all dividends declared by the Company which remain unpaid until the day these dividends revert to the Company by prescription;
- (4) any appropriate amount set aside for taxes due on the date of the valuation of the Net Asset Value and any other provision of reserves authorised and approved by the Board; and
- (5) any other liabilities of the Company of whatever kind towards third parties.

For the purposes of valuation of its liabilities, the Company may duly take into account all ongoing or periodic administrative and other expenses by valuing them for the entire year or any other period and by dividing the amount concerned proportionately for the relevant fractions of such period.

Amounts determined in accordance with such valuation principles shall be translated into the currency of the Sub-Fund's accounts at the respective exchange rates, using the relevant rates quoted by a bank or another first class financial institution.

### **ISSUE OF SHARES BY THE COMPANY**

All the Shares are issued and redeemed at an unknown Net Asset Value.

Whenever the Company issues Shares, the issue price per Share shall (the "Issue Price") be based on the Net Asset Value per Share for the relevant Sub-Fund calculated in the manner set out under "*Determination of the Net Asset Value*".

The latest Issue and Redemption Prices are made public at the registered office of the Company.

The Company or the Management Company may fix a minimum subscription amount for each Sub-Fund which, if applicable, is indicated in the description of the relevant Appendix.

The Company or the Management Company reserve the right from time to time to waive any requirements relating to the minimum subscription amount as and when it determines in its reasonable discretion and by taking into consideration the equal treatment of Shareholders.

The mechanism for the calculation of the Issue Price, plus the imposition of a subscription charge (if any), is set out in each case in the description of the relevant Appendix. The subscription charge(s) goes to the relevant Sub-Fund and/or to the distributor (as determined in the relevant Sub-Fund Appendix) and it can be waived, provided that all investors having filed a subscription request for the same Dealing Date in the same circumstances are treated equally. Subject as set out in the relevant Appendix, the Issue Price shall be rounded to 2 decimals and any related subscription amounts will be rounded to the next currency unit. No issue of

Shares shall be affected by the Company unless the price for the relevant Shares has been received by the Registrar and Transfer Agent. Payment of Shares must in principle be made in the currency of each Sub-Fund, as described in the relevant Appendix. The Company or the Management Company may, in their discretion, decide to accept payment by contribution of assets in compliance with the investment policy and the investment objective of the relevant Sub-Fund. The valuation of any such subscription in kind will be confirmed in a report prepared by the Company's auditor, to the extent required by Luxembourg law and any cost of such subscription in kind will have to be borne by the investor.

Save as set out in the relevant Appendix, duly completed and irrevocable application must be received by the Registrar and Transfer Agent no later than 2 p.m. or 4 p.m. (Luxembourg time) for the relevant Sub-Fund on the Business Day prior to the relevant Dealing Date. The Management Company may decide that applications to subscribe may be made by electronic file transfer. Any application form received after this cut-off time will be processed on the next Dealing Date subject to the reception of cleared subscription monies in accordance with the following paragraph. Order confirmation notices will be sent to Shareholders at the latest the first Business Day following the execution of the subscription order.

As a result of Luxembourg anti-money laundering laws the Registrar and Transfer Agent shall require that an application to subscribe Shares be accompanied by appropriate documents, as defined in the appendix to the subscription form, enabling the Registrar and Transfer Agent to check the identity of the investors. The Registrar and Transfer Agent reserves the right to delay the processing of an application until receipt of satisfactory documentary evidence or information for the purpose of compliance with applicable laws.

Save as set out in the relevant Appendix, the Subscription Price, payable in the Reference Currency of the relevant Class, must be paid by the investor and received by the Registrar and Transfer Agent within three (3) Business Days after the Valuation Day.

The Company and the Management Company may at their entire discretion refuse subscription requests and any acceptance of a subscription request is conditional upon receipt of cleared subscription funds. Persons the subscription of which has been refused and that have already paid will be reimbursed by money transfer (without interest) made at the entire risk of the relevant person.

## **SHAREHOLDER CONFIRMATIONS**

Shares will be issued in registered form. The Shares are evidenced by entries in the Company's register of Shareholders. Confirmations of shareholdings will be issued and delivered at the latest the first business day (the "**Business Day**", being a day (other than a Saturday or Sunday) on which commercial banks and stock exchange markets simultaneously settle payments in Luxembourg and Frankfurt am Main, or as specified in the description of the relevant Appendix) following the execution of the subscription order. Shares may be issued with fractions of up to three (3) decimals (0,001) or such other fractions as specified in the description of the relevant Appendix.

### **No share certificates will be delivered.**

Shares may further be issued in global certificated form and shall be traded via Euroclear and Clearstream or any other approved clearing system.

## **REDEMPTION OF SHARES BY THE COMPANY**

All the Shares are redeemed at an Net Asset Value.

Any Shareholder may request the redemption of Shares on every Dealing Date of the relevant Sub-Fund provided that such request must be received in writing by fax or letter by the Company, a distributor (as detailed in the description of the relevant Appendix) or the Registrar and Transfer Agent accompanied by the relevant Share certificates, if any, and the documents evidencing any transfer of Shares within the time limit applicable to the relevant Sub-Fund (and Class) as specified in the relevant Appendix. The Management Company may decide that applications for redemptions may be made by electronic file transfer. If the request is received outside this time limit, the Registrar and Transfer Agent shall defer the redemption until the following Dealing Date. The Company must accept such request and redeem the Shares so tendered, provided that the Company shall not be bound to redeem more than 10 per cent of the total number of Shares of the relevant Sub-Fund or Class of Shares then in issue and outstanding. Requests for the redemption of Shares received by the Company or by the Registrar and Transfer Agent are irrevocable. Any Shares redeemed by the Company will be cancelled.

A redemption charge as described in the relevant Appendix (if any) can be levied. The redemption charge may be allocated to the relevant Sub-Fund and/or the distributor, as shall be set forth in the description of the relevant Appendix. It may be waived provided that all Shareholders who have filed a redemption request for the same Dealing Date under the same circumstances are treated equally.

Save as set out in the relevant Appendix, redemption requests must be received by the Registrar and Transfer Agent or the Company no later than 2p.m. or 4 p.m. (Luxembourg time) for the relevant Sub-Fund on the Business Day prior to the relevant Dealing Date. Redemption proceeds will be paid not later than the Payment Date. Order confirmation notices will be sent to Shareholders at the latest the first Business Day following the execution of the redemption request.

Save as set out in the relevant Appendix, redemption requests should state the number, form, Class and the name of the Sub-Fund of the Shares to be redeemed as well as the necessary references enabling the payment of the redemption proceeds. Order confirmation notices will be sent to the Shareholders at the latest the first Business Day following the execution of the redemption request.

The company is not obliged to redeem more than 10% of the Shares issued to date on a valuation day. If redemption applications for a larger number of Shares than stated is received by the company on a valuation day, the company reserves the right to postpone the redemption of Shares, which exceed 10% of the Shares issued to date, until the fourth (4) valuation day following that one. On such following Dealing Dates such requests shall be complied with in priority to later requests.

The Redemption Price to be paid by the Company for the redemption of its Shares shall be equal to the Net Asset Value per Share (see the section entitled "*Determination of Net Asset Value*") on the Dealing Date in respect of which redemption is made, less a redemption charge (if any) as specified in relevant Appendix. Subject as set out in the relevant Appendix, the Redemption Price will be rounded to two decimals and redemption proceeds will be rounded to the next currency unit. The Redemption Price shall be payable in the currency of Sub-Funds indicated in the relevant Appendix.

The Redemption Price may be higher or lower than the subscription price paid by the Shareholder at the time of subscription/purchase depending on whether the Net Asset Value per Share has appreciated or depreciated.

The Redemption Price shall be paid within such period after the relevant Dealing Date or after the date by which the Share certificates (if issued) have been received by the Company as shall be set forth in the description of the relevant Appendix.

The Management Company shall use its best efforts to maintain an appropriate level of liquidity in its assets so that the redemption of the Shares can, under normal circumstances, be made without delay upon request by the Shareholders.

If, however, in exceptional circumstances which are outside the control of the Management Company or of the Company the liquidity of the portfolio of each Sub-Fund's assets is not sufficient to enable the payment to be made within the normal period, such payment shall be made as soon as reasonably practicable thereafter.

Shareholders should note that if an application for redemption relates to a partial redemption of an existing holding and the remaining balance within the existing holding is below the minimum holding requirement, the Company may redeem all the existing holding. The minimum holding requirement for any Class is indicated in the relevant Appendix.

As a result of the Luxembourg anti-money laundering laws, the Registrar and Transfer Agent shall require that a request for the redemption of Shares be accompanied by appropriate documents enabling the Registrar and Transfer Agent to check the identity of Shareholders and to complete the investors AML and KYC documentation as detailed in the subscription form. The Registrar and Transfer Agent reserve the right to delay the processing of a request until receipt of satisfactory documentary evidence or information for the purpose of compliance with applicable laws.

The Redemption Price may, upon demand by a Shareholder, and if the Company agrees, also be satisfied by allocation of securities equal in value of the Redemption Price. The securities vested by the Company in a Shareholder in lieu of the Redemption Price shall be determined as concerns their nature and type on an equitable basis and without prejudicing the interests of the other Shareholders. The value of any securities vested by the Company or contributed to the Company shall be confirmed in a valuation report by the independent auditor of the Company.



**Unless the redeeming Shareholder is registered in the Company's register, proper evidence of transfer or assignment must be sent with the redemption request, to the Company or the Registrar and Transfer Agent or the relevant distributor (as detailed in the relevant Appendix).**

## **CONVERSION OF SHARES**

In principle, any Shareholder may request the conversion of all or part of his Shares of any Sub-Fund into Shares of any other existing Sub-Fund, as detailed in the relevant Appendix. Conversions into other Classes are possible if so specified in the relevant Appendix, it being noted that any conversion into another Sub-Fund or Class may only take place provided all conditions for the holding of the new Sub-Fund or Class are fulfilled by the relevant Shareholder. Prior to converting any Shares, Shareholders should consult with their tax and financial advisers in relation to the legal, tax, financial or other consequences of converting such Shares.

### **Application for Conversions**

Conversion applications shall be made in writing by fax or letter to the Registrar and Transfer Agent, a distributor (as detailed in the relevant Appendix) or the Company stating which Shares are to be converted. The Management Company may also decide that applications for conversion may be made by electronic file transfer.

The application for conversion must include (i) the monetary amount the Shareholder wishes to convert or (ii) the number of Shares the Shareholder wishes to convert, together with the Shareholder's personal details and Shareholder's account number. Failure to provide any of the above information may result in delay of the application for conversion while verification is being sought from the Shareholder. The period of notice is the same as for applications for redemption save as otherwise set out in the relevant Appendix.

Conversions may result in the application of a conversion charge as shall be detailed in the Appendix, which will be based on the Net Asset Value per Share of the Shares the Shareholder wishes to convert from and, unless otherwise provided in the Appendix relating to the relevant Sub-Fund, goes to the Sub-Fund and/or Class from which they are converted. No redemption charge will be due upon the conversion of Shares. The Company may waive the conversion charge, provided that all investors having filed a conversion request for the same Dealing Date and for the same circumstances are treated equally.

Shareholders should note that if an application for conversion relates to a partial conversion of an existing holding and the remaining balance within the existing holding is below the minimum holding requirement, the Company will convert all the existing holding.

Applications for conversion on any Dealing Date received by the Registrar and Transfer Agent by the deadline specified in the relevant Appendix prior to a day that is a Dealing Date for both Sub-Funds concerned will be processed on that Dealing Date based on the Net Asset Value per Share calculated on the Valuation Date relevant for such Dealing Date. Any applications received after the deadline will be processed on the next day that is a Dealing Date for both Sub-Funds concerned on the basis of the Net Asset Value per Share calculated on such Dealing Date.

### **Conversion Formula**

The rate at which all or part of the Shares in relation to a given original Sub-Fund are converted into Shares relating to a new Sub-Fund, or all or part of the original Shares of a particular Class are converted into a new Class in relation to the same Sub-Fund, is determined in accordance with the following formula:

$$A = \frac{B \times C \times E}{D}$$

where:

A is the number of Shares to be allocated or issued by the Company in relation to the new Sub-Fund or new Class;

B is the number of Shares relating to the original Sub-Fund or to the original Class which is to be converted;

C is the Net Asset Value per Share (minus the relevant conversion charge, where applicable) of the original Sub-Fund or the relevant Class within the original Sub-Fund at the relevant Dealing Date;

D is the Net Asset Value per Share of the new Sub-Fund or the relevant Class within the new Sub-Fund at the relevant Dealing Date; and

E is the exchange rate between the currency of the original Sub-Fund or Class and currency of the new Sub-Fund or Class.

After conversion of the Shares, the Registrar and Transfer Agent will inform the Shareholder of the number of Shares in relation to the new Sub-Fund or new Class obtained by conversion and the price thereof.

If "A" is not an integral number, fractions of Shares will be allotted in the new Sub-Fund or Class.

If the minimum holding requirement for any Class, as described in the relevant Appendix, is not maintained due to a conversion of Shares, the Company will compulsorily convert the remaining Shares at their current Net Asset Value per Share.

### **SUSPENSION OF ISSUE, REDEMPTION AND CONVERSION OF SHARES AND OF CALCULATION OF NET ASSET VALUE**

The Company may temporarily suspend all calculations in relation to the Net Asset Value and/or the sale, redemption and conversion of Shares in any Sub-Fund on the occurrence of any of the following events:

- (a) during any period in which any of the principal stock exchanges or other markets on which a substantial portion of the assets of a Sub-Fund from time to time are quoted or traded is closed otherwise than for ordinary holidays, or during which transactions therein are restricted, limited or suspended, provided that such restriction, limitation or suspension affects the valuation of such assets;
- (b) where the existence of any state of affairs which, in the opinion of the Board of Directors, constitutes an emergency or renders impracticable a disposal or valuation of the assets attributable to a Sub-Fund;
- (c) during any breakdown of the means of communication or computation normally employed in determining the price or value of any of the assets attributable to a Sub-Fund;
- (d) when for any other reason the prices of any constituents of the assets of a Sub-Fund cannot promptly or accurately be ascertained;
- (e) where, in the opinion of the Board of Directors, circumstances which are beyond the control of the Board of Directors make it impracticable or unfair *vis-à-vis* the Shareholders to continue trading the Shares;
- (f) during any period in which the Company is unable to repatriate monies for the purpose of making payments on the redemption of Shares or during which any transfer of monies involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;
- (g) in case of the Company's liquidation or in the case a notice of termination has been issued in connection with the liquidation of a Sub-Fund or a Class of Shares;
- (h) in case of a feeder Sub-Fund, if the net asset calculation of the Master UCITS is suspended; or
- (i) in case of a merger of a Sub-Fund with another Sub-Fund of the Company or of another UCITS (or a sub-fund thereof), provided such suspension is in the interest of the Shareholders.

The Company shall suspend the sale, redemption and conversion of Shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the CSSF.

Shareholders having requested redemption or conversion of their Shares or having applied to the Company for the issue of Shares shall be notified in writing of any such suspension within seven days of their request and shall be promptly notified of the termination of such suspension.

A suspension of any Sub-Fund or Class shall have no effect on the determination of the Net Asset Value, the issue, redemption and conversion of the Shares of any other Sub-Fund or Class if the circumstances referred to above do not exist in respect of the other Sub-Funds or Classes.

## **ADJUSTED PRICING METHODOLOGY**

The Board of Directors may determine that an adjusted pricing methodology may be applied, for the subscription and the redemption of Shares in any Sub-Funds, to the calculation of the Subscription Price and the Redemption Price of the relevant Class of Shares, in order to compensate for the costs, taxes, etc., generated by the purchase or sale of the Sub-Fund's assets caused by subscriptions and redemptions (the "Adjusted Net Asset Value"). These costs reflect both the estimated fiscal charges and dealing costs that may be incurred by the subscriptions and redemptions and the estimated bid/offer spread of the assets in which the Sub-Fund invests (the "Adjusted Pricing Methodology").

The Adjusted Pricing Methodology may be applied for the subscription and the redemption of Shares of the relevant Sub-Fund and / or Class of Shares by adjusting upwards or downwards its Net Asset Value by an amount, relating to the cost of market dealing, taxes, etc. for that Sub-Fund, determined as a percentage of that Net Asset Value (the "Adjusted Factor"). The Adjusted Factor will be determined by the Board of Directors (or any delegate duly appointed by the Board of Directors). As certain financial markets and jurisdictions may have different charging structures on the buy and sell sides, the resulting Adjusted Factor may be different for net inflows than for net outflows.

The Adjusted Factor is specifically described for each Class of Shares of each Sub-Fund in the relevant Sub-Fund Appendix to this Prospectus. The Adjusted Factor will be determined, from time to time, and adapted by the Board if the market conditions so require.

## **RESTRICTIONS ON OWNERSHIP OF SHARES**

Investors should note however that some Sub-Funds or Share Classes may not be available to all investors.

The Fund retains the right to offer only one or more Share Classes for purchase by investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason.

The Fund may further reserve one or more Sub-Funds or Classes to Institutional Investors (within the meaning of article 174 of the 2010 Law as interpreted from time to time by the CSSF) only.

The Restriction on Ownership of Shares is described in the relevant Appendix and with regard to U.S. Persons in the section entitled "FATCA").

Where it appears to the Company that any person who is or becomes precluded from holding Shares in the Company, either alone or with any other person, is a beneficial or registered owner of Shares, it may compulsorily redeem such Shares.

## **DIVIDENDS**

The Board of Directors proposes to the general meeting of shareholders a reasonable annual dividend payment for the distributing Shares in the Sub-Fund, ensuring that the Net Asset Value does not fall below the minimum capital of the Company. Subject to the same limitation, the Board of Directors may also fix interim dividends. In the case of accumulating Shares, no dividend payments are made, but the values allocated to the accumulating Shares are reinvested for the benefit of the investors holding them.

The dividend policy of each Sub-Fund and Class is described in the relevant Appendix.

## **CREATION OF ADDITIONAL SUB-FUNDS AND CLASSES**

The Board of Directors may create at any time additional Sub-Funds and/or Classes. In such case, the Prospectus will be up-dated and if different Classes are issued within a Sub-Fund, the details of each Class will be described in the description of the Appendix relating to the relevant Sub-Fund.

## **LIQUIDATION, COMPULSORY REDEMPTION AND MERGERS**

### **Liquidation**

The Company or the Sub-Fund may at any time be dissolved by resolution passed at a general meeting of Shareholders of the Company or the Sub-Fund respectively. In that event, liquidation shall be carried out by one or several liquidators who may be physical persons or legal entities appointed by the general meeting of Shareholders deciding such liquidation, which shall determine their powers and compensation.

A resolution to dissolve and liquidate the Company must be passed at a general meeting of Shareholders in accordance with the provisions of the law of 10 August 1915 on commercial companies as amended.

The Board of Directors must forthwith convene an extraordinary general meeting of Shareholders for the purpose of deliberating on the dissolution and liquidation of the Company in case the net assets of the Company fall below two thirds of the minimum capital required by law; the decision to dissolve and liquidate the Company is validly passed without a quorum of presence by a simple majority of the Shares present or represented at the meeting. If the net assets of the Company fall below a quarter of the minimum capital required by law, the decision to dissolve and liquidate the Company is validly passed without a quorum of presence by a vote representing one quarter of the Shares present or represented at the meeting.

The liquidator(s) shall realise the assets of the Company in the best interest of the Shareholders and shall distribute the net proceeds of liquidation, after deduction of liquidation fees and expenses, to the holders of Shares in proportion to their holding of Shares on the basis of the respective Net Asset Value per Share of the relevant classes or categories of Shares.

Any amount remaining unclaimed at the close of liquidation shall be converted, to the extent legally required at that time, into Euros and deposited by the liquidator(s) for the account of those entitled thereto at the "*Caisse de Consignation*" in Luxembourg, where it shall be forfeited if unclaimed after a period of thirty (30) years.

### **Compulsory Redemption**

In the event that the net value of the total assets of any Sub-Fund or Class of Shares on a given Dealing Date is for one (1) month less than the minimum net value of the total assets for the relevant Sub-Fund as specified in the relevant Appendix, or if, in the Directors' opinion, a change in the economic or political situation may be detrimental to a Sub-Fund or Class and the interest of the relevant Shareholders, the Board of Directors may decide to compulsorily redeem without a redemption charge all the Shares relating to the relevant Sub-Fund at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), calculated on the Dealing Date specified as the effective date for such redemption. The Company shall serve a notice to the Shareholders of the relevant Sub-Fund in writing and/or by way of publication in newspapers in accordance with the Articles of Incorporation. Such notice to Shareholders will indicate the reasons for the redemption operation. In addition, the general meeting of Shareholders of a Sub-Fund may, upon a proposal from the Board of Directors, resolve to close a Sub-Fund by way of liquidation or to redeem all the Shares relating to the relevant Sub-Fund or Class of Shares issued by a Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Dealing Date at which such decision shall take effect. There shall be no quorum requirements for such general meeting of Shareholders which shall be validly passed by resolution by a simple majority of those Shares present or represented.

All redeemed Shares shall be cancelled and will become null and void. Upon compulsory redemptions, the relevant Sub-Fund will be closed. The last remaining Sub-Fund and/or Class of Shares may however only be liquidated and not be closed by way of a compulsory redemption.

Liquidation or redemption proceeds which may not be distributed to the relevant Shareholders upon termination will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto. If not claimed, they shall be forfeited after thirty (30) years.

### **Merger**

In addition, the Board of Directors may decide, in compliance with the procedures laid down in Chapter 8 of the law of the 2010 Law, to merge any Sub-Fund with another UCITS or a sub-fund within such UCITS (whether established in Luxembourg or another Member State or whether such UCITS is incorporated as a company or is a contractual type fund) under the provisions of Directive 2009/65/EC.

Such merger will be binding on the Shareholders of the relevant Sub-Fund upon thirty days' prior written notice thereof given to them, during which Shareholders may redeem their Shares, it being understood that the merger will take place five Business Days after the expiry of such notice period.

The request for redemption of a Shareholder during the above mentioned period will be treated without any cost, other than the cost of disinvestment.

A merger that has as a result that the Company ceases to exist needs to be decided at a general meeting of shareholders and certified by a notary. There shall be no quorum requirements for such general meeting of shareholders which shall decide by resolution taken by simple majority of those present or represented and voting at such meeting.

## **TAX CONSIDERATIONS**

The following is a general description of the law and practice currently in force in the Grand Duchy of Luxembourg in respect of the Company and the Shares as at the date of this prospectus. It does not purport to be a comprehensive discussion of the tax treatment of the Shares. Prospective investors should consult their own professional advisers on the implications of making an investment in, holding or disposing of Shares and the receipt of interest with respect to such Shares under the laws of the countries in which they may be liable to taxation. Tax rates and bases may be liable to change.

The following summary is based on the Company's understanding of the law and practice currently in force in the Grand Duchy of Luxembourg and is subject to changes therein.

### **The Company**

The Company is subject to the Luxembourg tax provisions. Without prejudice to the levy of registration and transcription taxes and the application of national legislation on value added tax, no other tax shall be payable by the Company with the exception of the subscription tax (taxe d'abonnement) referred to in Articles 174 to 176 of the 2010 Law. Though the Company is exempt from income tax and from trade tax in Luxembourg, income and gains of the company may be subject to a non-recoverable withholding tax or other tax in the respective state of source.

According to article 174 of the 2010 Law, the Company is subject to a subscription tax i) at a standard rate of 0.05% or ii) at a reduced rate of 0.01% in case of sub-funds or share classes which are exclusively reserved for "institutional investors". The subscription tax is payable pro rata quarterly; its taxable basis shall be the aggregate net assets of the Company valued on the last day of each quarter.

### **The Shareholders**

Under Luxembourg law and current practice, shareholders in Luxembourg are not subject to capital gains tax, income tax, gifts tax, inheritance tax or other taxes (with the exception of investors domiciled or resident or having their permanent establishment in Luxembourg).

It is the responsibility of the Shareholders to seek advice on taxes and other consequences which may result from the subscription, ownership return (redemption), conversion and transfer of Shares, including any regulations regarding the control on the movement of capital.

## **CHARGES OF THE COMPANY**

### **Management Company fee**

The Management Company is entitled to receive from each Class within each Sub-Fund a fee on the basis of the average Net Asset Value over the relevant period. The Management Company fee to be levied for each

Sub-Fund or Class is specified in the relevant Sub-Fund Appendix. The actual amounts of these fees are disclosed in the financial reports.

#### **Investment Management Fee**

The Portfolio Manager will be paid directly by the respective Sub-Fund(s), the amount of which is specified for each Share Class of each Sub-Fund in the relevant Sub-Fund Appendix. The actual amounts of these fees are disclosed in the financial reports.

#### **Investment Adviser Fee**

The Investment Adviser will be paid directly by the respective Sub-Fund(s), the amount of which is specified for each Class of each Sub-Fund in the relevant Sub-Fund Appendix. The actual amounts of these fees are disclosed in the financial reports.

#### **Performance Fee**

In order to provide an incentive to the relevant Portfolio Manager and/or Investment Adviser, the Company may pay an additional performance fee as indicated in the relevant Sub-Fund Appendix. The amount of the Performance Fee will be calculated by the Management Company. The performance fee (if applicable) shall be calculated and accrue and shall be payable as specified in the relevant Sub-Fund Appendix. For the purposes of the first calculation of the Performance Fee, the starting point for the relevant Net Asset Value per Share of each relevant Share Class is the Initial Offering Price. The actual amounts of these fees are disclosed in the financial reports.

#### **Distribution Fee**

The distribution fee to be levied for each Sub-Fund or Share Class is specified in the relevant Sub-Fund Appendix.

#### **Domiciliary and Corporate Agent Services Fee, Registrar and Transfer Agent Fee**

The Company pays monthly fees for the services for Domiciliary and Corporate Agent Services, Registrar and Transfer Agent Services in accordance with normal banking practices in Luxembourg. In addition, the Company pays out of the assets of the relevant Sub-Fund all reasonable out-of-pocket expenses, disbursements and for the charges.

The fees are indicated in the relevant Sub-Fund Appendix. The actual amounts of these fees are disclosed in the financial reports.

#### **Depository and Paying Agent Fee**

The Depository is entitled to receive out of the assets of the Fund a fee calculated in accordance with customary banking practice in Luxembourg and as detailed for each Sub-Fund in the relevant Sub-Fund Appendix. In addition, the Depository is entitled to be reimbursed out of the assets of the relevant Sub-Fund for its reasonable out-of-pocket expenses and disbursements and for the charges of any correspondents.

The fees are indicated in the relevant Sub-Fund Appendix. The actual amounts of these fees are disclosed in the financial reports.

#### **Launch costs**

The Company will pay its formation expenses, including the costs and expenses of producing the initial Prospectus, and the legal and other costs and expenses incurred in determining the structure of the Company, which formation expenses are expected not to exceed EUR 30.000. These expenses will be apportioned pro-rata to the initial Sub-Fund and amortised for accounting purposes over a period of five (5) years. Amortised expenses may be shared with new Sub-Funds at the discretion of the Board. Costs in relation to the launch of any additional Sub-Fund will be charged to such additional Sub-Fund and will be amortised over a period of five years from the launch of the relevant Sub-Fund.

#### **Other expenses**

The Company will further pay all administrative expenses of the Company due or accrued, including all fees payable to any Board of Directors, representatives and agents of the Company, the cost of its registration with

regulatory authorities, the costs of performance analysis and other special reports, as well as legal, audit, management, corporate fees and expenses, governmental charges, the cost of legal publications, prospectuses, financial reports and other documents made available to Shareholders, marketing and advertisement expenses and generally any other expenses arising from the administration of the Company. All expenses are accrued on each Valuation Day in determining the Net Asset Value and are charged first against income.

In the annual report the costs incurred in the management of the Fund within the period under report and charged to the Fund (excluding transaction costs) are disclosed and reported as a ratio of the average Fund volume ("total expense ratio" – TER).

The Management Company may make use of the services of third parties for and in the management of derivative transactions and collateral for derivative transactions. The Management Company has the right to charge the Fund or Sub-Fund assets (or one or more share classes) a fee. These fees shall not be covered by the management fee and shall, as such, be charged to the Fund or Sub-Fund by the Management Company additionally.

### **Returning management fees received to certain investors and commission sharing agreements**

At its sole discretion, the Management Company may agree with individual investors to partially return the management company fee already received to such investors. This applies especially if institutional investors invest large amounts directly and on a long-term basis.

The Management Company generally passes on portions of its management company fee to intermediaries. This is paid as remuneration for sales services on the basis of brokered stocks. This may also involve significant portions. The Management Company does not receive any refunds from the remunerations and reimbursement of expenses to be paid from the Fund's assets to the Depositary and third parties. Monetary advantages offered by brokers and dealers, which the Management Company uses in the interests of investors, remain unaffected. The Management Company may enter into agreements with selected brokers pertaining to the provision of research or analysis services for the Management Company, under which the respective broker transfers to third parties, either immediately or subsequently, portions of the payments it receives pursuant to the relevant agreement from the Management Company for the purchase or sale of assets to brokers. The Management Company will use these broker services for the purposes of managing the investment fund ("commission sharing agreement").

The Company or the Management Company may avail itself of derivative transactions and collateral for derivative transactions originating from the services of third parties. In such cases, these third parties shall collectively receive a fee at the market rate charged to the respective Sub-Fund. The Company or the Management Company may charge the Fund, a Sub-Fund or one or several unit classes a lower fee at their own discretion, or indeed exempt the latter from such a fee. The latter fees shall not be covered by the management fee and shall, as such, be charged to the Fund/Sub-Fund additionally. The Company states the fees charged to these third parties, and for all unit classes, in the annual and semi-annual reports.

### **REPORTS AND SHAREHOLDERS' MEETINGS**

The Company shall make available to the Shareholders within four months of the relevant year-end an audited annual report describing the assets, operations and results of the Company, and, within two months of the relevant half-year, it shall make available to the Shareholders an unaudited semi-annual report describing the assets and operations of the Company during such period. The financial year of the Company starts on 1 October and ends on 30 September of each year, except that the first financial year starts with the incorporation of the Company and ends on 30 September 2016.

The consolidation currency is the EURO (EUR).

The Net Asset Value, the Redemption Price and the Issue Price of each Class of Shares will be available (save as set out in the relevant Appendix) on or before the payment date (the "Payment Date", as specified in the relevant Sub-Fund Appendix) in Luxembourg at the registered offices of the Company, the Depositary and the Paying Agent. The Company reserves the right to introduce a list of media in which this information is published. The list of media (if any) from time to time selected by the Company will appear in the annual and semi-annual reports. The annual report and all other periodical reports of the Company are made available to the Shareholders at the registered offices of the Company and the Depositary.

Shareholders' meetings will be convened in accordance with Luxembourg law. The annual ordinary meeting of Shareholders will be held on the last Wednesday in January at 2 p.m. (Luxembourg time) of each year and for the first time, in 2017. If such day is not a banking day, which is simultaneously a stock exchange day in

Luxembourg and Frankfurt am Main, the general meeting takes place on the immediately following business day in Luxembourg and Frankfurt am Main.

Other General Meetings of Shareholders will be held at such time and place as indicated in the notices of such meetings.

Notices of General Meetings are sent in accordance with Luxembourg law to the Shareholders at their addresses in the Share register. Notices will specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and the voting requirements. The requirements as to attendance, quorum and majorities at all General Meetings will be those laid down in the Articles of Incorporation. All other Notices will be sent to Shareholders by post.

## **DATA PROTECTION**

Certain personal data of investors (especially the name, address and investment amount of each investor) can be collected and/or processed and used by the Management Company of the Fund, the service providers assigned in relation to the Fund and the brokers and investment advisers or portfolio managers of the Fund.

This data may also be used to manage account and distribution fees, for identification in order to combat money laundering and the financing of terrorism, to maintain the register, to process subscription and redemption orders, to pay out dividends to investors and to provide customer-related services.

This information shall not be provided to any unauthorised third parties.

Any personal data in respect of natural persons is processed in accordance with the General Data Protection Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data (GDPR).

The Management Company of the Fund acting as Controller as defined by art. 4 no. 7 GDPR may assign another agent (such as the Central Administration Agent or the Registrar and Transfer Agent) the task of processing personal data (the "Data Processor"). The Management Company of the Fund undertakes to provide personal data only to the Data Processors as defined by art. 4 no. 8 GDPR and not to third parties unless required by law or approved in advance by the unitholder or processing is necessary for the purposes of the legitimate interests pursued by the controller, except where such interests are overridden by the interests data subject.

Each investor has the right to access their personal data and to request the correction of incorrect or incomplete data at any time.

In subscribing to units, each investor consents to their personal data being processed as described above. This consent will be inserted in writing to the subscription documents released for use by the Management Company of the Fund.

For any other use of personal investor data beyond this purpose the provisions of the EU-GDPR (e.g. consent from the person concerned) must be applied. Further information on the rights of the persons concerned is available at: [www.universal-investment.com/en/online-privacy-lux](http://www.universal-investment.com/en/online-privacy-lux).

## **ANTI-MONEY LAUNDERING**

In accordance with the Luxembourg Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended, the Grand-Ducal Regulation of 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, and the relevant CSSF circulars and regulations, professionals of the financial sector, as defined under Art. 2 of the Law of 2004, are subject to certain anti-money laundering and counter-terrorist financing obligations in order to prevent the use of undertakings for collective investment for money laundering purposes. This includes, inter alia, the obligation to identify and legitimise investors and investment funds.

The Management Company or the Registrar and Transfer Agent of the Fund implement these identification proceedings and, if necessary, carry out a detailed verification in accordance with these requirements.

Investors must attach their identification documents as required by law to the subscription documents. These documents vary depending on the type or corporate form of the investor.



The Fund and the Registrar and Transfer Agent reserve the right to request (additional) relevant information which is required to verify the identity of an applicant. If there is a delay or if the applicant fails to deliver the information required for verification purposes, the Management Company or the Registrar and Transfer Agent may refuse the application and will not be liable for any interest, costs or compensation.

The Management Company reserves the right to refuse an application in full or in part for any reason. The monies paid as part of an application or corresponding balances are in this case immediately returned to the applicant either into the account he/she has specified or by post at the applicant's own risk, provided that the identity of the applicant can be reliably established in accordance with the Luxembourg money laundering requirements. The Fund or the Management Company is in this case not liable for any interest, costs or compensation.

The collection of data pursuant to the subscription process shall be for the sole purpose of complying with the requirements on the prevention of money laundering. All documents retained for this purpose will be held for five years after termination of the business relationship.

#### **APPLICABLE LAW, JURISDICTION**

Any legal disputes between the Company, the investors, the Depositary and paying agent, the Management Company, the domiciliary, the administrative, registrar and transfer agent, the Portfolio Managers and any distribution agents will be subject to the jurisdiction of the Grand-Duchy of Luxembourg. The applicable law is Luxembourg law. However, the above entities may, in relation to claims from investors from other countries, accept the jurisdiction of those countries in which Shares are offered and sold.

## GENERAL INFORMATION

The following documents are available for inspection at the registered office of the Company:

- the Prospectus;
- the Articles of Incorporation;
- Management Company Agreement;
- the KIIDs;
- the Portfolio Manager Agreement(s) (if any);
- the Investment Advisory Agreement(s) (if any);
- the Depositary, Paying Agency and Registrar and Transfer Agent Agreement and
- the Annual Report and Semi-Annual report (if any).

Copies of the Articles of Incorporation and the last available Reports can be obtained free of charge at the registered office of the Company.

Any legal disputes arising among or between the Shareholders, the Company and the Management Company / the Depositary shall be subject to the jurisdiction of the competent court in Luxembourg, provided that the Company may submit itself to the competent courts of such countries where required by regulations for the registration of Shares for offer and sale to the public with respect to matters relating to subscription and redemption, or other claims related to their holding by residents in such country or which have evidently been solicited from such country. Claims of Shareholders against the Company or the Depositary shall lapse 5 years after the date of the event giving rise to such claims (except that claims by Shareholders on the proceeds of liquidation to which they are entitled shall lapse only 30 years after these shall have been deposited at the *Caisse de Consignation* in Luxembourg).

In cases where disputed claims are asserted for the Company in or out of court, the Management Company may charge a fee of up to 5% of the amounts collected for the Company, after deducting and offsetting the expenses incurred by the Company as a result of these proceedings.

Information, particularly notices to investors, is also published on the Management Company's website [www.universal-investment.com](http://www.universal-investment.com). In addition, notices will be published in Luxembourg in RESA and in a Luxembourg daily newspaper, where required by law, and also, if required, in another daily newspaper that has sufficient circulation.

**The Company hereby informs investors that an investor can only directly exercise its investor rights in their entirety vis-à-vis a UCITS if the investor itself is registered under its own name in the shareholder register of the UCITS. If an investor has invested in a UCI(TS) through an intermediary that makes the investment in its own name for the account of the investor, the investor may not be able to directly exercise all investor rights vis-à-vis the UCI(TS). It is recommended that investors inform themselves of their rights.**

## LIST OF APPENDICES

APPENDIX

**UI – Petrus Advisers Special Situations Fund UCITS**

APPENDIX

**UI – Aktia EM Frontier Bond+**

APPENDIX

**UI – Aktia EM Local Currency Bond+**

APPENDIX

**UI – Four Seasons Alpha Max Japan Fund**

APPENDIX

**UI – Hansabay Blossom Fund**

APPENDIX

**UI – Cape Credit Fund**

**APPENDIX**  
**UI – Petrus Advisers Special Situations Fund UCITS**

**March 2021**

In addition to the provisions of the General Part of the Prospectus the following Sub-Funds specific provisions apply. This appendix is only valid in connection with the General Part of the Prospectus.

|                             |  |
|-----------------------------|--|
| <b>Sub-Fund name</b>        | <b>UI – Petrus Advisers Special Situations Fund UCITS</b>  |
| <b>Sub-Fund currency</b>    | EUR  |
| <b>Investment objective</b> | The objective of the Sub-Fund is to generate high returns from long/short trading in the Continental European region. It is managed by a team of experienced investment professionals with regional investment banking and asset management track records.   |
| <b>Investment policy</b>    | <p>The Focus on the Sub-Fund lies within undervalued equities with low correlation to overall equity market mainly in the small mid-cap segment with stable cash flow and/or restructuring need primarily in German-speaking Europe and the CEE region.</p> <p>For the selection of investments the Sub-Fund will make use of proprietary fundamental research of the Portfolio Manager and a network of investment banks and industrialists.</p> <p>The Sub-Fund will engage in active trading to capitalize on short term to generate extra returns.</p> <p>Active hedging techniques will be employed to cushion market volatility and protect the portfolio from adverse external shocks.</p> <p>Among others, derivatives will be used for</p> <ul style="list-style-type: none"> <li>- hedging purposes: index derivate futures will be used to manage the Sub-Fund's net exposure.</li> <li>- anticipating negative development in share prices- put long especially in exchange traded options</li> <li>- generating additional revenues: covered call writing (exchange traded options i.e.)</li> <li>- for buying cheap: selling out puts (use of exchange traded options i.e.)</li> </ul> <p>OTC Swaps will be used to cover the short side. Generally, derivatives are not paramount to the strategy, but add on to main strategy of the Sub-Fund.</p> <p>The Sub-Fund may not invest more than 10% of its net assets in shares or units of other UCITS or UCI as mentioned in Article 41 (1) e) of the UCI law.</p> <p>The sub-fund will gain exposure to total return swaps up to a maximum of 100%, measured in relation to the sub-fund assets under management.</p> <p>The Sub-Fund will not enter into any securities financing transactions (securities lending, securities borrowing or any type of (reverse) repurchase agreements) that fall under the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and the reuse and amending Regulation (EU) no. 648/2012.</p> <p>Additionally for tax purposes:</p> <p>The fund/sub-fund continuously invests more than 50% of its "total assets" (Aktivvermögen) directly or indirectly via other investment funds within the meaning of section 1(2) of the German Investment Tax Act (GITA) in equity participations (Equity fund – equity participation ratio). Equity participations (Kapitalbeteiligungen) in this meaning are:</p> <ul style="list-style-type: none"> <li>- Units in corporations which are admitted to official trading on a stock exchange or admitted to or included in another organised market and</li> </ul> |

|   |   |
|---|---|
|   | <p>which are not shares in investment funds. For these purposes, an organised market is a market which is recognised, open to the public and operating regularly and which therefore meets the requirements of Article 50 of the UCITS Directive (Directive 2009/65/EC).;</p> <p>- Units in other investment funds which according to their investment conditions provide for a continuous minimum investment of 25% or a higher percentage in equity participations within the meaning of section 2(8) of the InvStG, in the amount of the percentage specified for this minimum investment.</p> <p>The “total assets” (Aktivvermögen) as defined in section 2(9a) GITA is determined by the value of the assets of the investment fund within the meaning of section 1(2) GITA without taking into account its liabilities. In the case of indirect investment in equity participations via other investment funds, the fund/sub-fund shall base its compliance with its equity fund – equity participation quota on the actual equity participation quotas published by these investment funds on each valuation date. An indirect investment in equity participations via other investment funds requires that these investment funds carry out a valuation at least once a week.</p> <p><b>No assurance can be given that the goals of the investment policy will be achieved.</b></p> |
| <b>Investor Profile</b>   | The Sub-Fund is suitable for investors who see the Sub-fund as a suitable means to participate in the capital market performance and who are seeking income. The Sub-Fund is therefore suitable for investors who can afford to invest their capital over the long term; i.e. a multiple year time horizon.   |
| <b>Management Company</b>   | Universal-Investment-Luxembourg S.A.  |
| <b>Depository</b>   | State Street Bank International GmbH Luxembourg Branch  |
| <b>Registrar and Transfer Agent</b>   | State Street Bank International GmbH Luxembourg Branch  |
| <b>Paying Agent in Luxembourg</b>   | State Street Bank International GmbH Luxembourg Branch  |
| <b>Portfolio Manager</b>  | Petrus Advisers Ltd.  |
| <b>Valuation day</b>  | Every full banking day, which is simultaneously a stock exchange day in Luxembourg, London and Frankfurt am Main (with the exception of 24 and 31 December of every year)   |
| <b>Cut-off time for subscriptions, redemptions and conversion of Shares</b> | 4 p.m. (Luxembourg time) on the relevant Business Day (Dealing Date)  |
| <b>Payment of the issue prices</b>  | within three (3) Business Days after the Valuation Day  |
| <b>Payment of the redemption prices</b>                                     | within three (3) Business Days after the Valuation Day  |
| <b>Financial Year</b>   | 1 October to 30 September   |
| <b>1<sup>st</sup> Financial Year</b>  | <p>From launch to 30 September 2016</p> <p>First annual report to 30 September 2016</p> <p>First semi-annual report to 31 March 2016</p>  |

|   |              |   |              |
|---|--------------|---|--------------|
| <b>Sub-Fund term</b>                                    | Unlimited    |   |              |
| <b>Share classes</b>                                    | R            | I<br>(reserved for institutional investors) | R CZK        |
| <b>Hedging</b>  | No           | No  | Yes          |
| <b>Currency</b>   | EUR          | EUR   | CZK          |
| <b>ISIN Code (ISIN)</b>                                 | LU1214676824 | LU1214677046                                | LU2016807435 |
| <b>Securities identification number (WKN)</b>           | A14Q7A       | A14Q69                                      | A2PMHB       |
| <b>Initial Issue Price (excluding Subscription Fee)</b> | 100.- EUR    | 100.- EUR                                   | 1000 CZK     |

|   |   |                              |              |
|---|---|------------------------------|--------------|
| <b>Initial minimum investment<sup>1</sup></b>     | None  | 250,000.- EUR                | None         |
| <b>Subsequent investment<sup>1</sup></b>          | none  | 10,000.-                     | None         |
| <b>Subscription Price</b>                         | The "Subscription Price" means during the Initial Offering Period, the Initial Offering Price, and after the Initial Offering Period, the Net Asset Value per Share of the relevant Share Class calculated on the concurrent Valuation Day in accordance with the Articles and the Prospectus.  |                              |              |
| <b>Subscription fee currently applicable</b>      | none  | none                         | Up to 2.5 %  |
| <b>Redemption Price</b>                           | Subject to the Articles, the "Redemption Price" will be denominated in the applicable Reference Currency and will be equal to the Net Asset Value per Share of the relevant Share Class at the relevant Valuation Day, after adjustment for any accrual of Management Fees and Performance Fees due (if not already included in the Net Asset Value) as well as any other redemption fee. |                              |              |
| <b>Redemption fee currently applicable</b>        | none  | none                         | None         |
| <b>Appropriation of earnings</b>                  | distributing  | distributing                 | distributing |
| <b>Exchange commission</b>                        | Where different share classes are offered within the Sub-Fund, an exchange of Shares from one share class for Shares in another share class within the Sub-Fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged.  |                              |              |
| <b>Launch date/ activation date in Luxembourg</b> | 6 June 2016   | 6 August 2015                | TBD          |
| <b>Subscription period</b>                        | 17 May 2016 – 3 June 2016   | 23 July 2015 – 6 August 2015 | TBO          |

<sup>1</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

|  |   |
|--|---|
| <b>Management Company Fee and Administration Fee</b> | <p>Share Classes R + R CZK* up to 2.75 % p.a. of the net asset value of the Sub-Fund<br/>Share Class I up to 2.0 % p.a. of the net asset value of the Sub-Fund</p> <p>A minimum fee of up to 82,500.- EUR p.a. for the Sub-Fund plus a fixed Management Company Fee of up to 25,000 EUR p.a. The Management Company can accept a lower fee or waive the fee.</p>  |
| <b>Depositary/Custodian Bank Fee</b>                 | <p>Up to 0,03% p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 30,000.- EUR p.a., plus safekeeping fee and transaction fee. In addition, the Depositary/Custodian will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Custodian may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made.</p> |
| <b>Transfer Agency Fee</b>                           | <p>1,500 EUR per ISIN code p.a. plus transaction and reporting fees. The Transfer Agency will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Transfer Agency may vary depending on the nature of the investor and the countries which the investors are located.</p>   |
| <b>Portfolio Manager Fee</b>                         | <p>The Portfolio Manager Fee will be paid out of the Management Company and Administration Fee.</p> <p>Share Classes R + R CZK *up to 1.75 % p.a. of the net asset value of the Sub-Fund, currently not subject to Luxembourg VAT.</p> <p>Share classes I up to 1.50 % p.a. of the net asset value of the Sub-Fund, currently not subject to Luxembourg VAT.</p> <p>The Portfolio Manager can accept a lower fee or waive the fee.</p>  |

|                             |   |
|-----------------------------|---|
| <b>Performance Fee</b>      | <p>In addition to the portfolio manager fee, for each share issued, the Portfolio Manager may receive a performance fee (the "Performance Fee") of up to 20% of the amount by which the share value at the end of an accounting period exceeds the income from a money-market investment used as a benchmark in this accounting period by 3% ("hurdle rate"), however, up to a maximum of 20 % of the average net asset value of the UCITS investment fund in the accounting period calculated from the values at the end of each valuation date. Sentence 1 applies if share classes are formed accordingly for each share class. If the share value at the beginning of the accounting period is lower than the highest level of the share value of the UCITS investment fund or the relevant share class at the end of the five preceding accounting periods (hereinafter "high-water mark"), the high-water mark will replace the share value at the beginning of the accounting period for the purpose of calculating the share value performance in accordance with sentence 1. If there are fewer than five previous accounting periods for the UCITS investment fund or share class, all previous accounting periods will be taken into account when calculating the fee.</p> <p>The costs charged to the UCITS investment fund may not be deducted from the performance of the benchmark before the comparison takes place.</p> <p>The specified benchmark is EURIBOR 12 months.</p> <p>The accounting period starts on 1 October and ends on 30 September of each year. The first annual accounting period starts on 1 October 2020. The share value performance is calculated using the BVI method (explanation on the website 'www.bvi.de').</p> <p>Based on the outcome of a daily calculation, any calculated performance fee incurred is set aside within the UCITS investment fund per share issued or any provision that has already been posted is reversed accordingly. Reversals of provisions are allocated to the UCITS investment fund. A performance fee can only be withdrawn if corresponding provisions have been formed.</p> <p>The Portfolio Manager may charge a reduced performance fee, or not charge one at all, for the UCITS investment fund or one or more share classes.</p> |
| <b>Distribution Fee</b>     | None  |
| <b>Taxe d'abonnement</b>    | <p>"R" + "R CZK" Share Class (Retail): 0.05% p.a.</p> <p>"I" Share Class (Institutional): 0.01% p.a.</p>  |
| <b>FATCA classification</b> | <p>According to the current national Luxembourg FATCA legislation, the Sub-Fund qualifies as a "Restricted Fund" in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, shares in the Sub-Fund must not be offered, sold, transferred or delivered to:</p> <ul style="list-style-type: none"> <li>• Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,</li> <li>• Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and</li> <li>• Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.</li> </ul>   |
| <b>CRS Classification</b>   | Luxembourg Financial Institution (Investment Entity)  |



|   |   |  |
|---|---|--|
| <b>Disclosure Regulation Classification</b> | The Sub-Fund is classified as an article 6 Sub-Fund under the Disclosure Regulation as Defined below.   |  |
| <b>Distribution countries</b>               | Luxembourg, Germany, Austria, UK, Netherlands; CZK  |  |
| <b>Risk Management-Procedure</b>            | Relative VaR Approach   | 99% confidence level<br>1-day holding period<br>1-year observation period<br>Daily calculation |
| <b>Derivative-free reference portfolio</b>  | 50 % EURO STROXX 50 Index<br>+ 50 % EURO STOXX Small Index  |  |
| <b>Expected Leverage</b>                    | Due to the investment strategy of the Fund the expected leverage by the use of derivatives is 350%. Leverage is calculated by the method Sum of Notionals according to specifications of the CESR / 10-788 Directive. In this context, a leverage of 100% is to be understood as unleveraged portfolio. |  |

## INCLUSION OF SUSTAINABILITY RISKS IN THE INVESTMENT PROCESS

As part of the investment process, the relevant financial risks are included in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector ("Disclosure Regulation"), which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the investment Sub-Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies. If sustainability risks materialize, portfolio adjustments may be made. Moreover, voting rights derived from the assets of the Sub-Fund are exercised on the basis of the voting guidelines that are based on the criteria of a transparent and sustainable corporate governance policy and other environmental and social criteria focused on the long-term performance of the assets held by the Sub-Fund. The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the investment Sub-Fund may be realized.

This Sub-Fund is not classified as a product promoting environmental or social characteristics within the meaning of the Disclosure Regulation (Article 8), nor as a product with sustainable investment as its objective (Article 9).

Explanations of any adverse sustainability impacts pursuant to Article 7(1) of the Disclosure Regulation will be included in this Prospectus and in the Fund's annual reports from 30 December 2022.

## DERIVATIVES

The Sub-Fund may, subject to the conditions and within the limits laid down in the 2010 Law and any present or future related Luxembourg laws or implementing regulations, CSSF circulars (the "Regulations"), invest in financial derivative

instruments for hedging and investment purposes and/or to manage foreign exchange risks. Financial derivative instruments include, but are not limited to, futures, options, swaps (including, but not limited to total return swaps and forward foreign currency contracts.

#### **Special Features of Total Return Swap Transactions:**

- a) The investment policy of the sub-fund will allow the use of total return swaps, the rationale for their use is to broaden investment universe, increase flexibility and decrease costs.
- b) The underlying asset types of the total return swaps could be equities.
- c) The sub-fund will gain exposure to total return swaps up to a maximum of 100%, measured in relation to the sub-fund assets under management.
- d) The sub-fund will gain exposure to total return swaps in average of 25%, measured in relation to the sub-fund assets under management.

It should be noted, that the percentage figures mentioned in d) cannot be considered as investment restrictions and no compensation can be claimed in events of disregard. In case of sustainable changes in that the investment strategy with regards to the use and extent of total return swaps as outlined above, the management company will adjust the provided information above as soon as possible.

#### **PORTFOLIO MANAGER**

The Portfolio Manager is Petrus Advisers Ltd., 6 New Street Square, New Letter Lane, London EC4A 3AQ, United Kingdom manages the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objective and policies of the Sub-Fund as described in this Appendix, and is responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by it at its discretion.

#### **FEES AND EXPENSES**

##### **Management Company and Administration Fee charged to Sub-Fund assets**

The Management Company and Administration Fee for UIL is to be calculated on each valuation day and paid out on a quarterly basis, based on the average net asset value of the relevant quarter. The Management Company can accept a lower fee or waive the fee.

##### **Depository and Paying Agency Fee, Registrar and Transfer Agency Fee charged to Sub-Fund assets**

The remuneration is payable monthly on a pro rata basis. Transaction costs will be charged separately.

##### **Portfolio Manager Fee**

The remuneration of the Portfolio Manager shall be calculated on each valuation day and paid to the Portfolio Manager quarterly, based on the average net asset value of the relevant month. The Portfolio Manager can accept a lower fee or waive the fee.

##### **Other Costs**

Costs for the provision of analysis material or services by third parties in relation to one or more financial instruments or other assets or in relation to the issuers or potential issuers of financial instruments or in close connection with a certain industry or a certain market up to 0,1 % p.a. of the average value of the net asset value, in the relevant fiscal year, of the Sub-Fund

**APPENDIX**  
**UI – Aktia EM Frontier Bond+**

**May 2021**

In addition to the provisions of the General Part of the Prospectus the following Sub-Funds specific provisions apply. This appendix is only valid in connection with the General Part of the Prospectus.

|                                |   |
|--------------------------------|---|
| <b>Sub-Fund name</b>           | <b>UI – Aktia EM Frontier Bond+</b>   |
| <b>Sub-Fund currency</b>       | EUR   |
| <b>Investment objective</b>    | Over the long-term the fund seeks to achieve the best possible return and to outperform the benchmark of the Sub-Fund.  |
| <b>Investment strategy</b>     | <p>The investment strategy is a macro-economically and fundamentally driven approach with a long-term investment horizon (the so called “traffic lights approach”). Investments are identified through a qualitative and quantitative decision-making process in local currency frontier market government bonds and money market instruments. The investment universe includes more than 90 EM and Frontier sovereign markets and AAA supranationals. The focus is on absolute return (benchmark-aware, not driven), inflation expectations and real yields. The strategy targets higher risk adjusted total returns with lower FX volatility through diversification and off- benchmark exposures.</p> <p>The Sub-Fund is an Emerging Market Debt Fund that invests globally and mainly in emerging market fixed income and interest-bearing securities issued in emerging markets local currency by emerging markets sovereigns, supranationals and/or multilaterals. Derivative instruments may also be used for investment purposes to take currency risk.</p> |
| <b>Investment restrictions</b> | <p>At least 51% of the net asset value will be invested in Bonds and currency exposure covering risk from the Emerging and Frontier Markets.</p> <p>Investments in equities and securities with equity character will not be undertaken.</p> <p>FX Forwards and Non Deliverable Forwards could be used for investment and hedging purposes. Other Financial Derivate Instruments (FDI) will not be used.</p> <p>The Sub-Fund will not enter into any securities financing transactions that fall under Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and the reuse and amending Regulation (EU) no. 648/2012.</p> <p>Direct and indirect investments in Asset Backed Securities (ABS) and Mortgage Backed Securities (MBS) will not be undertaken.</p>   |
| <b>Other regulated markets</b> | <p>The Sub-Fund can invest in transferable securities and money market instruments dealt in on another regulated market (the “Regulated Market”) in an Eligible State, which operates regularly and is recognised and open to the public.</p> <p>The investment universe includes more than 90 EM and Frontier sovereign markets to the extent and as long as the requirements of Article 41 l c) of the Law of 2010 are satisfied:</p> <ul style="list-style-type: none"> <li>Ghana Stock Exchange</li> <li>Uganda Securities Exchange</li> <li>Lusaka Stock Exchange</li> <li>Namibian Stock Exchange</li> <li>Santo Domingo Stock Exchange</li> <li>Bolsa de Valores de Montevideo</li> </ul>  |
| <b>Currency hedging</b>        | <p>Investments in debt securities issued in emerging markets local currency and in currency instruments will not generally be hedged.</p> <p>In the “I AH” share class all EUR/USD risk will be hedged in a systematic and predetermined manner. The effective open FX risk in this share class will be the emerging market local currency FX risk against the USD.</p> <p>Currency hedging will be made through the use of currency forward contracts. Due to movements in market valuations and due to in- and outflows in the sub-fund, the hedge</p>  |

|   |  |                  |                  |                  |                  |                  |                  |                  |
|---|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | ratio will fluctuate over time. The hedge ratio will be between 95% and 105% at all times. Any costs incurred relating to the above mentioned hedging will be borne by the "I AH" share class.   |                  |                  |                  |                  |                  |                  |                  |
| <b>Investor Profile</b>   | This Sub-Fund is suitable for the Investor who is prepared to take the higher risks associated with investments in the Emerging Markets in order to maximise the return. Thus, the Investor should have experience with volatile products and should be able to accept significant temporary losses. |                  |                  |                  |                  |                  |                  |                  |
| <b>Benchmark</b>  | JP Morgan Government Bond Index- Emerging Markets Diversified, GBI-EM Diversified  |                  |                  |                  |                  |                  |                  |                  |
| <b>Management Company</b>   | Universal-Investment-Luxembourg S.A.   |                  |                  |                  |                  |                  |                  |                  |
| <b>Depository</b>   | State Street Bank International GmbH Luxembourg Branch   |                  |                  |                  |                  |                  |                  |                  |
| <b>Registrar and Transfer Agent</b>   | State Street Bank International GmbH Luxembourg Branch   |                  |                  |                  |                  |                  |                  |                  |
| <b>Paying Agent in Luxembourg</b>   | State Street Bank International GmbH Luxembourg Branch   |                  |                  |                  |                  |                  |                  |                  |
| <b>Portfolio Manager</b>  | Aktia Bank Plc   |                  |                  |                  |                  |                  |                  |                  |
| <b>Collateral Manager</b>   | Universal-Investment-Gesellschaft mbH  |                  |                  |                  |                  |                  |                  |                  |
| <b>Distributor</b>  | Aktia Bank Plc   |                  |                  |                  |                  |                  |                  |                  |
| <b>Valuation day</b>  | Every full banking day, which is simultaneously a stock exchange day in Luxembourg, London and Frankfurt am Main (with the exception of 24 and 31 December of every year)  |                  |                  |                  |                  |                  |                  |                  |
| <b>Cut-off time for subscriptions, redemptions and conversion of Shares</b> | 4 p.m. (Luxembourg time) on the relevant Business Day (Dealing Date)   |                  |                  |                  |                  |                  |                  |                  |
| <b>Payment of the issue prices</b>  | within three (3) Business Days after the Valuation Day   |                  |                  |                  |                  |                  |                  |                  |
| <b>Payment of the redemption prices</b>                                     | within three (3) Business Days after the Valuation Day   |                  |                  |                  |                  |                  |                  |                  |
| <b>Financial Year</b>   | 1 October to 30 September  |                  |                  |                  |                  |                  |                  |                  |
| <b>1<sup>st</sup> Financial Year</b>  | From launch to 30 September 2018<br>First annual report to 30 September 2018<br>First semi-annual report to 31 March 2018  |                  |                  |                  |                  |                  |                  |                  |
| <b>Sub-Fund term</b>  | Unlimited  |                  |                  |                  |                  |                  |                  |                  |
| <b>Share classes</b>  | R  | I                | IX               | R                | I AH             | IX               | I                | IX D             |
| <b>Currency</b>   | EUR  | EUR              | EUR              | USD              | EUR              | SEK              | USD              | EUR              |
| <b>ISIN Code (ISIN)</b>   | LU1669<br>793744   | LU16697<br>93827 | LU1669<br>794049 | LU1669<br>794122 | LU1848<br>876493 | LU1950<br>510971 | LU1950<br>511193 | LU1950<br>511276 |
| <b>Securities identification number (WKN)</b>                               | A2DWDY   | A2DWDZ           | A2DWD            | A2DWD1           | A2JPL3           | A2PD15           | A2PD16           | A2PD17           |

|   |         |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Initial Issue Price (excluding Subscription Fee)</b> | EUR 100 | EUR 100 | EUR 100 | USD 100 | EUR 100 | SEK 100 | USD 100 | EUR 100 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|

|  |  |               |               |               |               |               |               |               |
|--|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Initial minimum investment<sup>2</sup></b>            | EUR 100  | EUR 500.000   | EUR 10 Mio.   | USD 100       | EUR 500.000   | SEK 1000 Mio. | USD 500.000   | EUR 10 Mio.   |
| <b>Subsequent investment*</b>                            | N/A  | EUR 500       | EUR 1 Mio.    | N/A           | EUR 500       | None          | None          | None          |
| <b>Subscription Price</b>                                | The "Subscription Price" means during the Initial Offering Period, the Initial Offering Price, and after the Initial Offering Period, the Net Asset Value per Share of the relevant Share Class calculated on the concurrent Valuation Day in accordance with the Articles and the Prospectus.   |               |               |               |               |               |               |               |
| <b>Subscription fee currently applicable<sup>3</sup></b> | Up to 5 %  | Up to 5 %     | 0%            | Up to 5 %     | Up to 3 %     | Up to 3 %     | Up to 3 %     | Up to 3 %     |
| <b>Redemption Price</b>                                  | Subject to the Articles, the "Redemption Price" will be denominated in the applicable Reference Currency and will be equal to the Net Asset Value per Share of the relevant Share Class at the relevant Valuation Day, after adjustment for any accrual of Management Fees due (if not already included in the Net Asset Value) as well as any other redemption fee.                         |               |               |               |               |               |               |               |
| <b>Redemption fee currently applicable</b>               | None   | None          | None          | None          | None          | None          | None          | None          |
| <b>Adjusted Factor – subscription</b>                    | 0 %  | Max. 2 %      | Max. 2 %      | 0%            | Max. 2 %      | Max. 2 %      | Max. 2 %      | Max. 2 %      |
| <b>Adjusted Factor – redemption</b>                      | 0 %  | Max. 2 %      | Max. 2 %      | 0%            | Max. 2 %      | Max. 2 %      | Max. 2 %      | Max. 2 %      |
| <b>Adjusted Factor</b>                                   | The Adjusted Factor is applicable to the relevant Net Asset Value in order to compensate for the cost generated by the subscription or redemption. Such Adjusted Factor which will be determined and adapted from time to time by the Board of Directors shall never exceed two percent (2%) of the Net Asset Value. The Adjusted Factor is suspended the first 90 days for Sub-Fund launch. |               |               |               |               |               |               |               |
| <b>Appropriation of earnings</b>                         | Dis-tributing  | Accu-mulating | Accu-mulating | Dis-tributing | Accu-mulating | Accu-mulating | Accu-mulating | Dis-tributing |
| <b>Exchange commission</b>                               | Where different share classes are offered within the Sub-Fund, an exchange of Shares from one share class for Shares in another share class within the Sub-Fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged.   |               |               |               |               |               |               |               |

<sup>2</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

<sup>3</sup> In individual cases the Board or the Distributor can determine a different agreement regarding the subscription fee

|  |  |                 |                    |      |                     |      |      |      |
|--|--|-----------------|--------------------|------|---------------------|------|------|------|
| <b>Launch date/<br/>activation date in<br/>Luxembourg</b>    | 16<br>Novemb<br>er 2017  | 16<br>Nov. 2017 | 26<br>Apr.<br>2018 | TBD  | 21<br>Sept.<br>2018 | TBD  | TBD  | TBD  |
| <b>Management Company<br/>Fee and Administration<br/>Fee</b> | Up to 1.80 % p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 50,000 EUR p.a. plus a fixed Management Company Fee of up to 25,000 EUR p.a.<br>The Management Company can accept a lower fee or waive the fee.   |                 |                    |      |                     |      |      |      |
| <b>Depository/Custodian<br/>Bank Fee</b>                     | Up to 0.03% p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 30,000.- EUR p.a., plus safekeeping fee and transaction fee. In addition, the Depository/Custodian will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Custodian may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made.   |                 |                    |      |                     |      |      |      |
| <b>Transfer Agency Fee</b>                                   | 1,500 EUR per ISIN code p.a. plus transaction and reporting fees. The Transfer Agency will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Transfer Agency may vary depending on the nature of the investor and the countries which the investors are located.   |                 |                    |      |                     |      |      |      |
| <b>Portfolio Manager Fee</b>                                 | Max. percentage p.a. of the net asset value of the Sub-Fund ; included in the above referred to Management Company and Administration Fee  |                 |                    |      |                     |      |      |      |
|  | 1.50   | 1.05            | 0.85               | 1.50 | 1.05                | 0.85 | 1.05 | 0,85 |
| <b>Performance Fee</b>                                       | None   | None            | None               | None | None                | None | None | None |
| <b>Collateral Management<br/>Fee</b>                         | 2,000 EUR p.a. per contractual agreement negotiated and maintained per counterparty plus 1,750 EUR p.a. per active agreement for the operational tasks and implementation of the contractual obligations.  |                 |                    |      |                     |      |      |      |
| <b>Distribution Fee</b>                                      | Included in the above referred to Management Company and Administration Fee  |                 |                    |      |                     |      |      |      |
| <b>Advisory Fee</b>  | Included in the above refereed to Management Company and Administration Fee  |                 |                    |      |                     |      |      |      |
| <b>Research costs</b>  | Up to 0.10 % of the average net asset value in the relevant fiscal year  |                 |                    |      |                     |      |      |      |
| <b>Taxe d'abonnement</b>                                     | "R" Share Class and "I" Share Classes: 0.05% p.a.<br>"IX" Share Classe, IX D Share Classes and "I AH" Share Class (Institutional): 0.01% p.a.<br>"   |                 |                    |      |                     |      |      |      |
| <b>FATCA classification</b>                                  | According to the current national Luxembourg FATCA legislation, the Sub-Fund qualifies as a "Restricted Fund" in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, shares in the Sub-Fund must not be offered, sold, transferred or delivered to: <ul style="list-style-type: none"> <li>Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,</li> <li>Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and</li> <li>Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.</li> </ul> |                 |                    |      |                     |      |      |      |

|                                  |  |
|----------------------------------|--|
| <b>CRS classification</b>        | Luxembourg Financial Institution (Investment Entity) |
| <b>Distribution countries</b>    | Luxembourg, Germany, Sweden, Ireland                 |
| <b>Risk management Procedure</b> | Commitment Approach                                  |

## **INCLUSION OF SUSTAINABILITY RISKS IN THE INVESTMENT PROCESS**

As part of its investment process, the Sub-Fund includes all relevant financial risks in its investment decision-making process and evaluates them on an ongoing basis. In doing so, all relevant sustainability risks within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector ("Disclosure Regulation"), which could have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and/ or the liquidity of the investment and thus on the return of the fund. Sustainability risks can have a significant impact on all known risk types and, as a factor, can contribute to the materiality of these risk types.

As part of the selection of assets for the investment Sub-Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the investment Sub-Fund may be realized.

For more information on how sustainability risks are incorporated into the investment process and on the possible extent of the impact of sustainability risks on returns, please refer to the Universal-Investment website.

This Sub-Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation. The Sub-Fund aims to achieve long-term value growth while taking socially and ecologically responsible investment criteria into account. To achieve this goal, the Sub-Fund's investment strategy focuses in particular on the aspects of environmental and social performance and political risks and the development trend of these criteria. In order to fulfil the advertised characteristics, the Sub-Fund invests in government bonds where the direction of the economic, environmental, social and political (governance) development is positive based on a holistic quantitative and qualitative assessment (country selection process). AAA-rated Supranational issuers local currency debt instruments may also be used where positive environmental and/or social impact is targeted. Weak performing countries in the country selection process are excluded.

The Sub-Fund is managed in relation to the benchmark index JP Morgan Government Bond Index- Emerging Markets Diversified, GBI-EM Diversified. This benchmark index is not considered to be consistent with any specific ESG characteristics. The aim of the Sub-Fund is not to track the benchmark index and no investment decisions are taken relative to the benchmark. The composition of the Sub-Fund and its performance may vary substantially to fully and in the long term - positively or negatively - from the benchmark index.

Explanations of any adverse sustainability impacts pursuant to Article 7(1) of the Disclosure Regulation will be included in this Prospectus and in the Fund's annual reports from 30 December 2022.

## **PORTFOLIO MANAGER**

The Portfolio Manager Aktia Bank Plc Arkadiankatu 4-6FI-00101 Helsinki manages the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objective and policies of the Sub-Fund as described in this Appendix, and is responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by it at its discretion.

## **COLLATERAL MANAGER**

The collateral management for transactions with derivatives of the Sub-Fund is outsourced to Universal-Investment-Gesellschaft mbH, Theodor-Heuss-Allee 70, 60486 Frankfurt am Main (the „Collateral Manager“). The Collateral Manager will initiate the exchange of collateral in order to mitigate the risks of transactions with OTC derivatives (“Collateral Management”). Collateral may be provided in for of cash or securities to be exchanged between the acting counterparties.

## **FEES AND EXPENSES**

### **Management Company and Administration Fee charged to Sub-Fund assets**

The Management Company and Administration Fee for UIL is to be calculated on each valuation day and paid out on a quarterly basis, based on the average net asset value of the relevant quarter. The Management Company can accept a lower fee or waive the fee.

### **Depository and Paying Agency Fee, Registrar and Transfer Agency Fee charged to Sub-Fund assets**

The remuneration is payable monthly on a pro rata basis. Transaction costs will be charged separately.

### **Portfolio Manager Fee**

The remuneration of the Portfolio Manager shall be calculated on each valuation day and paid to the Portfolio Manager quarterly, based on the average net asset value of the relevant month. The Portfolio Manager can accept a lower fee or waive the fee.



**APPENDIX**  
**UI – Aktia EM Local Currency Bond+**

**May 2021**

In addition to the provisions of the General Part of the Prospectus the following Sub-Funds specific provisions apply. This appendix is only valid in connection with the General Part of the Prospectus.

|                                |  |
|--------------------------------|--|
| <b>Sub-Fund name</b>           | <b>UI – Aktia EM Local Currency Bond+</b>  |
| <b>Sub-Fund currency</b>       | EUR  |
| <b>Investment objective</b>    | Over the long-term the fund seeks to achieve the best possible return and to outperform the benchmark of the Sub-Fund.   |
| <b>Investment strategy</b>     | <p>The focus is on absolute return (benchmark-aware, not driven), inflation expectations and real yields. The strategy targets higher risk adjusted total returns with lower FX volatility through diversification and off-benchmark exposures.</p> <p>The sub-fund will typical have a duration of +/- 5 years compared with the Benchmark. The sub-fund can use derivatives as part of the risk management and to generate additional return.</p> <p>The Sub-Fund is an Emerging Market Debt fund that invests globally and mainly in emerging market fixed income and interest-bearing securities issued in emerging markets local currency by emerging markets sovereigns, supranationals and/or multilaterals. Derivative instruments may also be used for investment purposes to take currency risk.</p> |
| <b>Investment restrictions</b> | <p>At least 51% of the net asset value will be invested in Bonds and currency exposure covering risk from the Emerging Markets.</p> <p>FX Forwards and Non-Deliverable Forwards could be used for investment and hedging purposes. Other Financial Derivate Instruments (FDI) will not be used.</p> <p>The Sub-Fund will not enter into any securities financing transactions that fall under Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and the reuse and amending Regulation (EU) no. 648/2012.</p> <p>Direct investments in Asset Backed Securities (ABS) and Mortgage Backed Securities (MBS) will not be undertaken.</p>  |
| <b>Other regulated markets</b> | <p>The Sub-Fund can invest in transferable securities and money market instruments dealt in on another regulated market (the “Regulated Market”) in an Eligible State, which operates regularly and is recognised and open to the public.</p> <p>The investment universe includes more than 90 EM and Frontier sovereign markets to the extent and as long as the requirements of Article 41 I c) of the Law of 2010 are satisfied:</p> <p>Ghana Stock Exchange<br/>Uganda Securities Exchange<br/>Lusaka Stock Exchange<br/>Namibian Stock Exchange<br/>Santo Domingo Stock Exchange<br/>Bolsa de Valores de Montevideo</p>   |
| <b>Benchmark</b>               | JP Morgan Government Bond Index- Emerging Markets Diversified, GBI-EM Diversified  |
| <b>Investor Profile</b>        | This Sub-Fund is suitable for the Investor who is prepared to take the higher risks associated with investments in the Emerging Markets in order to maximize the return. Thus, the Investor should have experience with volatile products and should be able to accept significant temporary losses.   |
| <b>Management Company</b>      | Universal-Investment-Luxembourg S.A.   |

|   |   |                  |                  |                  |                  |                  |
|---|---|------------------|------------------|------------------|------------------|------------------|
| <b>Depository</b>   | State Street Bank International GmbH Luxembourg Branch  |                  |                  |                  |                  |                  |
| <b>Registrar and Transfer Agent</b>   | State Street Bank International GmbH Luxembourg Branch  |                  |                  |                  |                  |                  |
| <b>Paying Agent in Luxembourg</b>   | State Street Bank International GmbH Luxembourg Branch  |                  |                  |                  |                  |                  |
| <b>Portfolio Manager</b>  | Aktia Bank Plc  |                  |                  |                  |                  |                  |
| <b>Collateral Manager</b>   | Universal-Investment-Gesellschaft mbH   |                  |                  |                  |                  |                  |
| <b>Distributor</b>  | Aktia Bank Plc  |                  |                  |                  |                  |                  |
| <b>Valuation day</b>  | Every full banking day, which is simultaneously a stock exchange day in Luxembourg, London and Frankfurt am Main (with the exception of 24 and 31 December of every year) |                  |                  |                  |                  |                  |
| <b>Cut-off time for subscriptions, redemptions and conversion of Shares</b> | 4 p.m. (Luxembourg time) on the relevant Business Day (Dealing Date)  |                  |                  |                  |                  |                  |
| <b>Payment of the issue prices</b>  | within three (3) Business Days after the Valuation Day  |                  |                  |                  |                  |                  |
| <b>Payment of the redemption prices</b>                                     | within three (3) Business Days after the Valuation Day  |                  |                  |                  |                  |                  |
| <b>Financial Year</b>   | 1 October to 30 September   |                  |                  |                  |                  |                  |
| <b>1<sup>st</sup> Financial Year</b>  | From launch to 30 September 2018<br>First annual report to 30 September 2018<br>First semi-annual report to 31 March 2018   |                  |                  |                  |                  |                  |
| <b>Sub-Fund term</b>  | Unlimited   |                  |                  |                  |                  |                  |
| <b>Share classes</b>  | R   | I                | IX               | IX               | ID               | I                |
| <b>Currency</b>   | EUR   | EUR              | EUR              | SEK              | EUR              | USD              |
| <b>ISIN Code (ISIN)</b>   | LU1669<br>794395  | LU1669<br>794478 | LU1669<br>794551 | LU1783<br>956961 | LU181468<br>1067 | LU213436<br>7247 |
| <b>Securities identification number (WKN)</b>                               | A2DWD2  | A2DWD3           | A2DWD4           | A2JENS           | A2JKQY           | A2P1JF           |
| <b>Initial Issue Price (excluding Subscription Fee)</b>                     | EUR 100   | EUR 100          | EUR 100          | SEK 100          | EUR 100          | USD 100          |

|   |         |             |                 |                   |             |              |
|---|---------|-------------|-----------------|-------------------|-------------|--------------|
| <b>Initial minimum investment<sup>4</sup></b> | EUR 100 | EUR 500,000 | EUR 100,000,000 | SEK 1,000,000,000 | EUR 500,000 | USD 5.000.00 |
|---|---------|-------------|-----------------|-------------------|-------------|--------------|

|  |   |              |              |              |              |              |
|--|---|--------------|--------------|--------------|--------------|--------------|
| <b>Subsequent investment<sup>4</sup></b>                 | None  | EUR 500      | None         | None         | EUR 500      | None         |
| <b>Subscription Price</b>                                | The "Subscription Price" means during the Initial Offering Period, the Initial Offering Price, and after the Initial Offering Period, the Net Asset Value per Share of the relevant Share Class calculated on the concurrent Valuation Day in accordance with the Articles and the Prospectus.  |              |              |              |              |              |
| <b>Subscription fee currently applicable<sup>5</sup></b> | Up to 3 %   | Up to 3 %    | 0 %          | 0 %          | Up to 3 %    | 3%           |
| <b>Redemption Price</b>                                  | Subject to the Articles, the "Redemption Price" will be denominated in the applicable Reference Currency and will be equal to the Net Asset Value per Share of the relevant Share Class at the relevant Valuation Day, after adjustment for any accrual of Management Fees due (if not already included in the Net Asset Value) as well as any other redemption fee.  |              |              |              |              |              |
| <b>Redemption fee currently applicable</b>               | None  | None         | None         | None         | None         | None         |
| <b>Appropriation of earnings</b>                         | Distributing  | Accumulating | Accumulating | Accumulating | Distributing | Accumulating |
| <b>Exchange commission</b>                               | Where different share classes are offered within the Sub-Fund, an exchange of Shares from one share class for Shares in another share class within the Sub-Fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged.  |              |              |              |              |              |
| <b>Launch date/activation date in Luxembourg</b>         | TBD   | 05.03.2018   | 05.03.2018   | 05.03.2018   | 07.05.2018   | TBD          |
| <b>Management Company Fee and Administration Fee</b>     | Up to 1.65 % p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 50,000 EUR p.a. plus a fixed Management Company Fee of up to 25,000 EUR p.a.<br>The Management Company can accept a lower fee or waive the fee.  |              |              |              |              |              |
| <b>Depositary/Custodian Bank Fee</b>                     | Up to 0.03% p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 30,000. - EUR p.a., plus safekeeping fee and transaction fee. In addition, the Depositary/Custodian will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Custodian may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made. |              |              |              |              |              |
| <b>Transfer Agency Fee</b>                               | 1,500 EUR per ISIN code p.a. plus transaction and reporting fees. The Transfer Agency will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Transfer Agency may vary depending on the nature of the investor and the countries which the investors are located.  |              |              |              |              |              |

<sup>4</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

<sup>5</sup> In individual cases the Board or the Distributor can determine a different agreement regarding the subscription fee

|                                  |  |            |            |            |            |             |
|----------------------------------|--|------------|------------|------------|------------|-------------|
| <b>Portfolio Manager Fee</b>     | Max. percentage p.a. of the net asset value of the Sub-Fund ; Included in the above referred to Management Company and Administration Fee  |            |            |            |            |             |
|                                  | 1.35   | 0.90       | 0.65       | 0.65       | 0.90       | 0.90        |
| <b>Performance Fee</b>           | None   |            |            |            |            |             |
| <b>Distribution Fee</b>          | Included in the above referred to Management Company and Administration Fee  |            |            |            |            |             |
| <b>Advisory Fee</b>              | Included in the above referred to Management Company and Administration Fee  |            |            |            |            |             |
| <b>Research costs</b>            | Up to 0, 10 % of the average net asset value in the relevant fiscal year   |            |            |            |            |             |
| <b>Taxe d'abonnement</b>         | 0.05% p.a.   | 0.05% p.a. | 0.01% p.a. | 0.01% p.a. | 0.05% p.a. | 0.05 % p.a. |
| <b>FATCA classification</b>      | <p>According to the current national Luxembourg FATCA legislation, the Sub-Fund is qualified as a "Restricted Fund" in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, shares in the Sub-Fund must not be offered, sold, transferred or delivered to:</p> <ul style="list-style-type: none"> <li>• Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,</li> <li>• Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and</li> </ul> <p>Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.</p> |            |            |            |            |             |
| <b>CRS classification</b>        | Luxembourg Financial Institution (Investment Entity)   |            |            |            |            |             |
| <b>Distribution countries</b>    | Luxembourg, Austria, Germany, Sweden; Ireland  |            |            |            |            |             |
| <b>Risk management-Procedure</b> | Commitment Approach  |            |            |            |            |             |

## INCLUSION OF SUSTAINABILITY RISKS IN THE INVESTMENT PROCESS

As part of its investment process, the Sub-Fund includes all relevant financial risks in its investment decision-making process and evaluates them on an ongoing basis. In doing so, all relevant sustainability risks within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector ("Disclosure Regulation"), which could have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and/ or the liquidity of the investment and thus on the return of the fund. Sustainability risks can have a significant impact on all known risk types and, as a factor, can contribute to the materiality of these risk types.

As part of the selection of assets for the investment Sub-Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the investment Sub-Fund may be realized.

For more information on how sustainability risks are incorporated into the investment process and on the possible extent of the impact of sustainability risks on returns, please refer to the Universal-Investment website.

This Sub-Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation. The Sub-Fund aims to achieve long-term value growth while taking socially and ecologically responsible investment criteria into account. To achieve this goal, the Sub-Fund's investment strategy focuses in particular on the aspects of environmental and social performance and political risks and the development trend of these criteria. In order to fulfill the advertised characteristics, the Sub-Fund invests in government bonds where the direction of the economic, environmental, social and political (governance) development is positive based on a holistic quantitative and qualitative assessment (country selection process). AAA-rated Supranational issuers local currency debt instruments may also be used where positive environmental and/or social impact is targeted. Weak performing countries in the country selection process are excluded.

The Sub-Fund is managed in relation to the benchmark index JP Morgan Government Bond Index- Emerging Markets Diversified, GBI-EM Diversified. This benchmark index is not considered to be consistent with any specific ESG characteristics. The aim of the Sub-Fund is not to track the benchmark index and no investment decisions are taken relative to the benchmark. The composition of the Sub-Fund and its performance may vary substantially to fully and in the long term - positively or negatively - from the benchmark index.

Explanations of any adverse sustainability impacts pursuant to Article 7(1) of the Disclosure Regulation will be included in this Prospectus and in the Fund's annual reports from 30 December 2022.

## **SHARE CLASSES**

Share Classes I EUR and R EUR are available to retail investors. Share Classes IX EUR and IX SEK are only available to institutional investors. Share Class ID EUR is available to both retail and institutional investors.

## **PORTFOLIO MANAGER**

The Portfolio Manager Aktia Bank Plc, Arkadiankatu 4-6FI-00101 Helsinki manages the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objective and policies of the Sub-Fund as described in this Appendix, and is responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by it at its discretion.

## **COLLATERAL MANAGER**

The collateral management for transactions with derivatives of the Sub-Fund is outsourced to Universal-Investment-Gesellschaft mbH, Theodor-Heuss-Allee 70, 60486 Frankfurt am Main (the „Collateral Manager“). The Collateral Manager will initiate the exchange of collateral in order to mitigate the risks of transactions with OTC derivatives (“Collateral Management”). Collateral may be provided in for of cash or securities to be exchanged between the acting counterparties.

## **FEES AND EXPENSES**

### **Management Company and Administration Fee charged to Sub-Fund assets**

The Management Company and Administration Fee shall be calculated on each valuation day and paid out on a quarterly basis, based on the average net asset value of the relevant quarter.

The Management Company can accept a lower fee or waive the fee.

### **Depository and Paying Agency Fee, Registrar and Transfer Agency Fee charged to Sub-Fund assets**

The remuneration is payable monthly on a pro rata basis. Transaction costs will be charged separately.

### **Portfolio Manager Fee**

on each valuation day and paid to the Portfolio Manager quarterly, based on the average net asset value of the relevant month. The Portfolio Manager can accept a lower fee or waive the fee.

**APPENDIX**  
**UI – Four Seasons Alpha Max Japan Fund**

**March 2021**

In addition to the provisions of the General Part of the Prospectus the following Sub-Funds specific provisions apply. This appendix is only valid in connection with the General Part of the Prospectus.

|                                |  |
|--------------------------------|--|
| <b>Sub-Fund name</b>           | <b>UI – Four Seasons Alpha Max Japan Fund</b>  |
| <b>Sub-Fund currency</b>       | JPY  |
| <b>Investment objective</b>    | The Sub-Fund aims to preserve the Shareholder's capital and to provide a long term positive absolute rate of return on the investment as well as outperformance over relevant benchmark. The Sub-Fund invests its assets according to its investment strategy.   |
| <b>Investment strategy</b>     | Change is the only constant within Financial Markets. The sub-fund seeks to capture change as its main source of Alpha, focusing particularly on the less crowded areas of the market where downside can be reduced. Candidate stocks are identified initially through technical screening, where undervalued and underperforming stocks are initially selected as a stock universe for the sub-fund. Whilst the valuation will be low, the manager will only seek to buy stocks where there is a catalyst for change. Detailed qualitative research focuses upon a company's financial statements, business franchise as well as management quality through direct contact with the company's management team. The manager seeks to diversify the portfolio by varying investment horizons according to the expected timing of catalyst realization.  |
| <b>Investment restrictions</b> | <p>At least 51% of the Sub-Fund have to be invested in Japanese equities.</p> <p>No more than 5% of net fund assets may be invested in closed ended real estate investment trusts (REITs) qualifying as securities.</p> <p>FX Forwards, FX Futures and Equity Index Futures could only be used for hedging purposes. Other Financial Derivative Instruments (FDI) will not be used.</p> <p>The Sub-Fund may not invest more than 10% of its net assets in shares or units of other collective investment schemes especially not in UCITS or UCI as mentioned in Article 41 (1) e) of the UCI law.</p> <p>The Sub-Fund will not enter into any securities financing transactions that fall under the Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and the reuse and amending Regulation (EU) no. 648/2012.</p> <p>Investments in Asset Backed Securities (ABS) and Mortgage Backed Securities (MBS) will not be transacted.</p> <p>Additionally for tax purposes:</p> <p>The fund/sub-fund continuously invests more than 50% of its "total assets" (Aktivvermögen) directly or indirectly via other investment funds within the meaning of section 1(2) of the German Investment Tax Act (GITA) in equity participations (Equity fund – equity participation ratio). Equity participations (Kapitalbeteiligungen) in this meaning are:</p> <ul style="list-style-type: none"> <li>- Units in corporations which are admitted to official trading on a stock exchange or admitted to or included in another organised market and which are not shares in investment funds. For these purposes, an organised market is a market which is recognised, open to the public and operating regularly and which therefore meets the requirements of Article 50 of the UCITS Directive (Directive 2009/65/EC);</li> <li>- Units in other investment funds which according to their investment conditions provide for a continuous minimum investment of 25% or a higher percentage in equity participations within the meaning of section 2(8) of the InvStG, in the amount of the percentage specified for this minimum investment.</li> </ul> |

|   |  |
|---|--|
|   | The "total assets" (Aktivvermögen) as defined in section 2(9a) GITA is determined by the value of the assets of the investment fund within the meaning of section 1(2) GITA without taking into account its liabilities. In the case of indirect investment in equity participations via other investment funds, the fund/sub-fund shall base its compliance with its equity fund – equity participation quota on the actual equity participation quotas published by these investment funds on each valuation date. An indirect investment in equity participations via other investment funds requires that these investment funds carry out a valuation at least once a week. |
| <b>Benchmark</b>  | TOPIX (Tokyo Stock Price Index)  |
| <b>Investor Profile</b>   | This Sub-fund is suitable for the Investor who is prepared to take the higher risks associated with investments in the stock markets in order to maximise the return. Thus, the Investor should have experience with volatile products and be able to accept significant temporary losses.   |
| <b>Management Company</b>   | Universal-Investment-Luxembourg S.A  |
| <b>Depository</b>   | State Street Bank International GmbH Luxembourg Branch   |
| <b>Registrar and Transfer Agent</b>   | State Street Bank International GmbH Luxembourg Branch   |
| <b>Paying Agent in Luxembourg</b>   | State Street Bank International GmbH Luxembourg Branch   |
| <b>Portfolio Manager</b>  | Four Seasons Asia Investment Pte. Ltd  |
| <b>Collateral Manager</b>   | Universal-Investment-Gesellschaft mbH  |
| <b>Distributor</b>  | Four Seasons Asia Investment Pte. Ltd  |
| <b>Valuation day</b>  | Every full banking day, which is simultaneously a stock exchange day in Luxembourg, Japan and Frankfurt am Main (with the exception of 24 and 31 December of every year)   |
| <b>Cut-off time for subscriptions, redemptions and conversion of Shares</b> | 4 p.m. (Luxembourg time) one business day prior to the relevant dealing date   |
| <b>Payment of the issue prices</b>  | within four (4) Business Days after the Valuation Day  |
| <b>Payment of the redemption prices</b>                                     | within four (4) Business Days after the Valuation Day  |
| <b>Financial Year</b>   | 1 October to 30 September  |
| <b>1<sup>st</sup> Financial Year</b>  | From launch to 30 September 2018<br>First annual report to 30 September 2019<br>First semi-annual report to 31 March 2019  |
| <b>Sub-Fund term</b>  | Unlimited  |
| <b>Subscription Price</b>   | The "Subscription Price" means during the Initial Offering Period, the Initial Offering Price, and after the Initial Offering Period, the Net Asset Value per Share of the relevant Share Class calculated on the concurrent Valuation Day in accordance with the Articles and the Prospectus.   |



|  |  |
|--|--|
| <b>Redemption Price</b>                              | Subject to the Articles, the “Redemption Price” will be denominated in the applicable Reference Currency and will be equal to the Net Asset Value per Share of the relevant Share Class at the relevant Valuation Day, after adjustment for any accrual of Management Fees due (if not already included in the Net Asset Value) as well as any other redemption fee.   |
| <b>Exchange commission</b>                           | Where different share classes are offered within the Sub-Fund, an exchange of Shares from one share class for Shares in another share class within the Sub-Fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged.   |
| <b>Management Company Fee and Administration Fee</b> | Up to 0.30 % p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 55,000 EUR p.a. plus a fixed Management Company Fee of up to 25,000 EUR p.a. for up to 2 active share classes.<br>For each additional active share class (from the third share class) the Management Company receives a minimum fee of 7.500 EUR p.a. (unhedged) / 10.000 EUR p.a. (hedged). The Management Company can accept a lower fee or waive the fee.  |
| <b>Depository/Custodian Bank Fee</b>                 | Up to 0.03% p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 30,000.- EUR p.a., plus safekeeping fee and transaction fee. In addition, the Depository/Custodian will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Custodian may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made.   |
| <b>Transfer Agency Fee</b>                           | 1,500 EUR per ISIN code p.a. plus transaction and reporting fees. The Transfer Agency will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Transfer Agency may vary depending on the nature of the investor and the countries which the investors are located.   |
| <b>Collateral Management Fee</b>                     | 2,000 EUR p.a. per contractual agreement negotiated and maintained per counterparty plus 1,750 EUR p.a. per active agreement for the operational tasks and implementation of the contractual obligations.  |
| <b>FATCA classification</b>                          | According to the current national Luxembourg FATCA legislation, the Sub-Fund is qualified as a “Restricted Fund” in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, shares in the Sub-Fund must not be offered, sold, transferred or delivered to: <ul style="list-style-type: none"> <li>• Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,</li> <li>• Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and</li> </ul> Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations. |
| <b>CRS Classification</b>                            | Luxembourg Financial Institution (Investment Entity)   |
| <b>Disclosure Regulation Classification</b>          | The Sub-Fund is classified as an article 6 Sub-Fund under the Disclosure Regulation, as defined below.   |
| <b>Distribution countries</b>                        | Luxembourg, Switzerland, Singapore, United Kingdom, Germany  |
| <b>Risk management-Procedure</b>                     | Commitment Approach  |

|   |                  |                |                  |                |                  |                |                   |
|---|------------------|----------------|------------------|----------------|------------------|----------------|-------------------|
| <b>Share classes "I"</b>                                | <b>I USD</b>     | <b>I USD</b>   | <b>I GBP</b>     | <b>I GBP</b>   | <b>I EUR</b>     | <b>I EUR</b>   | <b>I JPY</b>      |
| <b>Currency</b>   | USD              | USD            | GBP              | GBP            | EUR              | EUR            | JPY               |
| <b>Share-Class-Hedging</b>                              | Yes              | No             | Yes              | No             | Yes              | No             | No                |
| <b>ISIN Code (ISIN)</b>                                 | LU<br>1728552370 | TBD            | LU<br>1953153530 | TBD            | LU<br>1728552024 | TBD            | TBD               |
| <b>Securities identification number (WKN)</b>           | A2JEHF           | TBD            | TBD              | TBD            | A2JEHD           | TBD            | TBD               |
| <b>Initial Issue Price (excluding Subscription Fee)</b> | USD<br>100       | USD<br>100     | GBP<br>100       | GBP<br>100     | EUR<br>100       | EUR<br>100     | JPY<br>10.000     |
| <b>Initial minimum investment<sup>6</sup></b>           | USD<br>500.000   | USD<br>500.000 | GBP<br>500.000   | GBP<br>500.000 | EUR<br>500.000   | EUR<br>500.000 | JPY<br>50.000.000 |
| <b>Subsequent investment</b>                            | USD<br>1.000     | USD<br>1.000   | GBP<br>1.000     | GBP<br>1.000   | EUR<br>1.000     | EUR<br>1.000   | JPY<br>10.000.000 |
| <b>Launch date/activation date in Luxembourg</b>        | TBD              | TBD            | TBD              | TBD            | TBD              | TBD            | TBD               |
| <b>Subscription period</b>                              | TBD              | TBD            | TBD              | TBD            | TBD              | TBD            | TBD               |
| <b>Subscription Fee currently applicable</b>            | None             | None           | None             | None           | None             | None           | None              |
| <b>Redemption Fee currently applicable</b>              | None             | None           | None             | None           | None             | None           | None              |
| <b>Appropriation of earnings</b>                        | Accumulating     | Accumulating   | Accumulating     | Accumulating   | Accumulating     | Accumulating   | Accumulating      |
| <b>Portfolio Manager Fee</b>                            | Up to 1,50 %     | Up to 1,50 %   | Up to 1,50 %     | Up to 1,50 %   | Up to 1,50 %     | Up to 1,50 %   | Up to 1,50 %      |
| <b>Distribution Fee</b>                                 | None             | None           | None             | None           | None             | None           | None              |
| <b>Taxe d'abonnement</b>                                | 0,01 %           | 0,01 %         | 0,01 %           | 0,01 %         | 0,01 %           | 0,01 %         | 0,01 %            |
|   |                  |                |                  |                |                  |                |                   |
| <b>Share classes "F"</b>                                | <b>F USD</b>     | <b>F USD</b>   | <b>F GBP</b>     | <b>F GBP</b>   | <b>F EUR</b>     | <b>F EUR</b>   | <b>F JPY</b>      |
| <b>Currency</b>   | USD              | USD            | GBP              | GBP            | EUR              | EUR            | JPY               |
| <b>Share-Class-Hedging</b>                              | Yes              | No             | Yes              | No             | Yes              | No             | No                |
| <b>ISIN Code (ISIN)</b>                                 | TBD              | TBD            | TBD              | TBD            | TBD              | TBD            | LU<br>1728552297  |

<sup>6</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

|   |                |                |                |                |                |                |                   |
|---|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|
| <b>Securities identification number (WKN)</b>           | TBD            | TBD            | TBD            | TBD            | TBD            | TBD            | A2JEHE            |
| <b>Initial Issue Price (excluding Subscription Fee)</b> | USD<br>100     | USD<br>100     | GBP<br>100     | GBP<br>100     | EUR<br>100     | EUR<br>100     | JPY<br>10.000     |
| <b>Initial minimum investment</b>                       | USD<br>500.000 | USD<br>500.000 | GBP<br>500.000 | GBP<br>500.000 | EUR<br>500.000 | EUR<br>500.000 | JPY<br>50.000.000 |
| <b>Subsequent investment</b>                            | USD<br>1.000   | USD<br>1.000   | GBP<br>1.000   | GBP<br>1.000   | EUR<br>1.000   | EUR<br>1000    | JPY<br>100.000    |
| <b>Launch date/activation date in Luxembourg</b>        | TBD            | TBD            | TBD            | TBD            | TBD            | TBD            | TBD               |
| <b>Subscription period</b>                              | TBD            | TBD            | TBD            | TBD            | TBD            | TBD            | TBD               |
| <b>Subscription Fee currently applicable</b>            | None           | None           | None           | None           | None           | None           | None              |
| <b>Redemption Fee currently applicable</b>              | None           | None           | None           | None           | None           | None           | None              |
| <b>Appropriation of earnings</b>                        | Accumulating   | Accumulating   | Accumulating   | Accumulating   | Accumulating   | Accumulating   | Accumulating      |
| <b>Portfolio Manager Fee</b>                            | Up to 1,50 %   | Up to 1,50 %   | Up to 1,50 %   | Up to 1,50 %   | Up to 1,50 %   | Up to 1,50 %   | Up to 1,50 %      |
| <b>Distribution Fee</b>                                 | None           | None           | None           | None           | None           | None           | None              |
| <b>Taxe d'abonnement</b>                                | 0,01 %         | 0,01 %         | 0,01 %         | 0,01 %         | 0,01 %         | 0,01 %         | 0,01 %            |
| <b>Share class "J"</b>                                  |                |                |                |                |                |                |                   |
| <b>Share class "J"</b>                                  | <b>J JPY</b>   |                |                |                |                |                |                   |
| <b>Currency</b>   | JPY            |                |                |                |                |                |                   |
| <b>Share-Class-Hedging</b>                              | No             |                |                |                |                |                |                   |
| <b>ISIN Code (ISIN)</b>                                 | TBD            |                |                |                |                |                |                   |
| <b>Securities identification number (WKN)</b>           | TBD            |                |                |                |                |                |                   |
| <b>Initial Issue Price (excluding Subscription Fee)</b> | JPY 10.000     |                |                |                |                |                |                   |
| <b>Initial minimum investment</b>                       | JPY 50.000.000 |                |                |                |                |                |                   |
| <b>Subsequent investment</b>                            | JPY 10.000.000 |                |                |                |                |                |                   |
| <b>Launch date/activation date in Luxembourg</b>        | TBD            |                |                |                |                |                |                   |

|   |                                     |  |  |  |
|---|-------------------------------------|--|--|--|
| <b>Subscription period</b>                              | TBD                                 |  |  |  |
| <b>Subscription Fee currently applicable</b>            | None                                |  |  |  |
| <b>Redemption Fee currently applicable</b>              | None                                |  |  |  |
| <b>Appropriation of earnings</b>                        | accumulating                        |  |  |  |
| <b>Portfolio Manager Fee</b>                            | Up to 1,50 %                        |  |  |  |
| <b>Distribution Fee</b>                                 | None                                |  |  |  |
| <b>Taxe d'abonnement</b>                                | 0,01 %                              |  |  |  |
|   |                                     |  |  |  |
| <b>Share class "Q"</b>                                  | <b>Q JPY</b>                        |  |  |  |
| <b>Currency</b>   | JPY                                 |  |  |  |
| <b>Share-Class-Hedging</b>                              | No                                  |  |  |  |
| <b>ISIN Code (ISIN)</b>                                 | LU1865177098                        |  |  |  |
| <b>Securities identification number (WKN)</b>           | A2JR5V                              |  |  |  |
| <b>Initial Issue Price (excluding Subscription Fee)</b> | JPY 10.000                          |  |  |  |
| <b>Initial minimum investment</b>                       | JPY 50.000.000                      |  |  |  |
| <b>Subsequent investment*</b>                           | JPY 50.000.000                      |  |  |  |
| <b>Launch date/activation date in Luxembourg</b>        | 15 November 2018                    |  |  |  |
| <b>Subscription period</b>                              | 1 August 2018 –<br>15 November 2018 |  |  |  |
| <b>Subscription Fee currently applicable</b>            | None                                |  |  |  |
| <b>Redemption Fee currently applicable</b>              | None                                |  |  |  |
| <b>Appropriation of earnings</b>                        | accumulating                        |  |  |  |
| <b>Portfolio Manager Fee</b>                            | Up to 1,50 %                        |  |  |  |

|                          |        |  |  |  |
|--------------------------|--------|--|--|--|
| <b>Distribution Fee</b>  | None   |  |  |  |
| <b>Taxe d'abonnement</b> | 0,05 % |  |  |  |

## **INCLUSION OF SUSTAINABILITY RISKS IN THE INVESTMENT PROCESS**

As part of the investment process, the relevant financial risks are included in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector ("Disclosure Regulation"), which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the investment Sub-Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies. If sustainability risks materialize, portfolio adjustments may be made. Moreover, voting rights derived from the assets of the Sub-Fund are exercised on the basis of the voting guidelines that are based on the criteria of a transparent and sustainable corporate governance policy and other environmental and social criteria focused on the long-term performance of the assets held by the Sub-Fund. The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the investment Sub-Fund may be realized.

This Sub-Fund is not classified as a product promoting environmental or social characteristics within the meaning of the Disclosure Regulation (Article 8), nor as a product with sustainable investment as its objective (Article 9).

Explanations of any adverse sustainability impacts pursuant to Article 7(1) of the Disclosure Regulation will be included in this Prospectus and in the Fund's annual reports from 30 December 2022.

## **PORTFOLIO MANAGER**

The Portfolio Manager Four Seasons Asia Investment Pte. Ltd. manages the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objective and policies of the Sub-Fund as described in this Appendix, and is responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by it at its discretion. The Portfolio Manager's license granted by the Monetary Authority of Singapore is restricted to the distribution to Accredited and Institutional Investors as defined in the Singapore Securities and Futures Act. Thus the distribution is restricted to such eligible investors.

## **COLLATERAL MANAGER**

The collateral management for transactions with derivatives of the Sub-Fund is outsourced to Universal-Investment-Gesellschaft mbH, Theodor-Heuss-Allee 70, 60486 Frankfurt am Main (the „Collateral Manager“). The Collateral Manager will initiate the exchange of collateral in order to mitigate the risks of transactions with OTC derivatives (“Collateral Management”). Collateral may be provided in for of cash or securities to be exchanged between the acting counterparties.

## **FEES AND EXPENSES**

### **Management Company and Administration Fee charged to Sub-Fund assets**

The remuneration of the Management Company and Administration Fee shall be calculated on each valuation day and paid out on a quarterly basis, based on the average net asset value of the relevant quarter.

The Management Company can accept a lower fee or waive the fee.

### **Depository and Paying Agency Fee, Registrar and Transfer Agency Fee charged to Sub-Fund assets**

The remuneration is payable monthly on a pro rata basis. Transaction costs will be charged separately.

### **Portfolio Manager Fee**

The remuneration of the Portfolio Manager shall be calculated on each valuation day and paid to the Portfolio Manager quarterly, based on the average net asset value of the relevant month. The Portfolio Manager can accept a lower fee or waive the fee.

**APPENDIX**  
**UI – Hansabay Blossom Fund**  
**March 2021**

In addition to the provisions of the General Part of the Prospectus the following Sub-Funds specific provisions apply. This appendix is only valid in connection with the General Part of the Prospectus.

|                                     |   |
|-------------------------------------|---|
| <b>Sub-Fund name</b>                | <b>UI – Hansabay Blossom Fund</b>   |
| <b>Sub-Fund currency</b>            | <b>USD</b>  |
| <b>Investment objective</b>         | The objective of the Sub-Fund is to generate long term positive absolute returns from long/short trading, primarily but not exclusively in, Taiwanese equities. The Sub-Fund invests its assets according to its investment strategy.   |
| <b>Investment strategy</b>          | <p>This is a Sub-Fund equity investment strategy with a unique approach. The Sub-Fund targets an absolute return with manageable risk across market cycles.</p> <p>The Sub-Fund would normally have between 15 to 30 long positions and 10 to 50 short positions, and maintain a long bias.</p> <p>The long bias is based on the generally positive outlook for Taiwan and a vast target universe.</p> <p>A long short opportunity arises due to frequent dislocations in the Taiwan market, expressed through sector rotations and biases, and often caused by international fund flows and sentiment.</p> <p>80 – 100% of the fund will be invested in Taiwan (on a gross basis) through issuers in Taiwan or the United States. Investments may also be made in issuers from Hong Kong, Japan, South Korea or other parts of the world</p> |
| <b>Investment restrictions</b>      | <p>Financial Derivative Instruments (FDI) could be used for investment and hedging purposes.</p> <p>The Sub-Fund will gain exposure to total return swaps up to a maximum of 150 %, measured in relation to the sub-fund assets under management.</p> <p>The Sub-Fund may not invest more than 10% of its net assets in shares or units of other UCITS or UCI as mentioned in Article 41 (1) e) of the UCI law. The Limit includes open-ended ETFs.</p> <p>Direct and indirect Investments in Asset Backed Securities (ABS) and Mortgage Backed Securities (MBS) will not be transacted.</p>  |
| <b>Benchmark</b>                    | 5% absolute return  |
| <b>Investor Profile</b>             | The Fund is designed for investors who are able to assess the risks and the value of the investment. The investor must be prepared and able to deal with significant value fluctuations to the units and if necessary a considerable capital loss. This Fund is potentially not suitable for investors who want to withdraw their money from the Fund again within a period of less than 5 years.   |
| <b>Management Company</b>           | Universal-Investment-Luxembourg S.A.  |
| <b>Depository</b>                   | State Street Bank International GmbH Luxembourg Branch  |
| <b>Registrar and Transfer Agent</b> | State Street Bank International GmbH Luxembourg Branch  |
| <b>Paying Agent in Luxembourg</b>   | State Street Bank International GmbH Luxembourg Branch  |

|   |   |              |
|---|---|--------------|
| <b>Portfolio Manager</b>  | HANSABAY PTE. LTD.  |              |
| <b>Collateral Manager</b>   | Universal-Investment-Gesellschaft mbH   |              |
| <b>Distributor</b>  | HANSABAY PTE. LTD.  |              |
| <b>Valuation day</b>  | Every full banking day, which is simultaneously a stock exchange day in Luxembourg, Singapore and Frankfurt am Main (with the exception of 24 and 31 December of every year). |              |
| <b>Cut-off time for subscriptions, redemptions and conversion of Shares</b> | 4 p.m. (Luxembourg time) one business day prior to the relevant dealing date  |              |
| <b>Payment of the issue prices</b>  | within three (3) Business Days after the Valuation Day  |              |
| <b>Payment of the redemption prices</b>                                     | within three (3) Business Days after the Valuation Day  |              |
| <b>Financial Year</b>   | 1 October to 30 September   |              |
| <b>1<sup>st</sup> Financial Year</b>  | From launch to 30 September 2019<br>First annual report to 30 September 2019<br>First semi-annual report to 31 March 2019   |              |
| <b>Sub-Fund term</b>  | Unlimited   |              |
| <b>Share classes</b>  | Q EUR   | Q USD        |
| <b>Currency</b>   | EUR   | USD          |
| <b>Share-Class-Hedging</b>  | Yes*  | No           |
| <b>ISIN Code (ISIN)</b>   | LU1856016412  | LU1856017816 |
| <b>Securities identification number (WKN)</b>                               | A2JQNR  | A2JQNS       |
| <b>Initial Issue Price (excluding Subscription Fee)</b>                     | EUR 100   | USD 100      |



|  |  |                   |
|--|--|-------------------|
| <b>Initial minimum investment<sup>7</sup></b>            | EUR 50,000   | USD 50,000        |
| <b>Subsequent investment*</b>                            | none   | none              |
| <b>Subscription Price</b>                                | The "Subscription Price" means during the Initial Offering Period, the Initial Offering Price, and after the Initial Offering Period, the Net Asset Value per Share of the relevant Share Class calculated on the concurrent Valuation Day in accordance with the Articles and the Prospectus.   |                   |
| <b>Subscription fee currently applicable<sup>8</sup></b> | up to 5%   | up to 5%          |
| <b>Redemption Price</b>                                  | Subject to the Articles, the "Redemption Price" will be denominated in the applicable Reference Currency and will be equal to the Net Asset Value per Share of the relevant Share Class at the relevant Valuation Day, after adjustment for any accrual of Management Fees due (if not already included in the Net Asset Value) as well as any other redemption fee.   |                   |
| <b>Redemption fee currently applicable</b>               | none   | none              |
| <b>Appropriation of earnings</b>                         | accumulating   | accumulating      |
| <b>Exchange commission</b>                               | Where different share classes are offered within the Sub-Fund, an exchange of Shares from one share class for Shares in another share class within the Sub-Fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged.   |                   |
| <b>Launch date/ activation date in Luxembourg</b>        | TBD  | 30 November 2018  |
| <b>Management Company Fee and Administration Fee</b>     | Up to 0.30 % p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 80,000 EUR p.a. plus a fixed Management Company Fee of up to 25,000 EUR p.a.<br>The Management Company can accept a lower fee or waive the fee.   |                   |
| <b>Depository Bank Fee</b>                               | Up to 0.03% p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 30,000.- EUR p.a., plus safekeeping fee and transaction fee. In addition, the Depository will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Custodian may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made. |                   |
| <b>Transfer Agency Fee</b>                               | 1,500 EUR per ISIN code p.a. plus transaction and reporting fees. The Transfer Agency will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Transfer Agency may vary depending on the nature of the investor and the countries which the investors are located.   |                   |
| <b>Portfolio Manager Fee</b>                             | Up to 1.30 % p.a.  | Up to 1.30 % p.a. |

<sup>7</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

\* The objective of reducing currency fluctuations should be implemented with the aim of a hedging ratio between 95% and 105%. However, there is no guarantee that this objective will be achieved.

<sup>8</sup> In individual cases the Board or the Distributor can determine a different agreement regarding the subscription fee

|   |   |       |
|---|---|-------|
| <b>Performance Fee</b>                      | <p>In addition, the Portfolio Manager may, for each unit issued, receive a performance fee of up to 12.5 % of the amount by which the performance of the units exceeds the maximum unit value at the end of the five preceding accounting periods ("high-water mark"), however this is limited to up to 12,5 % of the amount by which the unit value at the end of the accounting period exceeds the unit value at the beginning of the accounting period by 5% ("Hurdle Rate"). However, up to a maximum of 5 % of the average net asset value of the UCITS investment fund in the accounting period calculated from the values at the end of each valuation date. Sentence 1 applies if unit classes are formed accordingly for each unit class. If there are fewer than five previous accounting periods for the UCITS investment fund or unit class, all previous accounting periods will be taken into account when calculating the fee. In the first accounting period following the launch of the UCITS investment fund, the high-water mark will be replaced by the unit value at the beginning of the first accounting period.</p> <p>The accounting period starts on 1 October and ends on 30 September of each year. The first annual accounting period starts on 1 October 2020.<br/>The share value performance is calculated using the BVI method (explanation published on the website 'www.bvi.de').<br/>Based on the outcome of a daily calculation, any calculated performance fee incurred is set aside within the UCITS investment fund per share issued or any provision that has already been posted is reversed accordingly. Reversals of provisions are allocated to the UCITS investment fund. A performance fee can only be withdrawn if corresponding provisions have been formed.<br/>The Portfolio Manager may charge a reduced performance fee, or not charge one at all, for the UCITS investment fund or one or more share classes.</p> |       |
| <b>Collateral Management Fee</b>            | 2,000 EUR p.a. per contractual agreement negotiated and maintained per counterparty plus 1,750 EUR p.a. per active agreement for the operational tasks and implementation of the contractual obligations.   |       |
| <b>Distribution Fee</b>                     | none  | none  |
| <b>Taxe d'abonnement</b>                    | 0,05%   | 0,05% |
| <b>FATCA classification</b>                 | <p>According to the current national Luxembourg FATCA legislation, the Sub-Fund is qualified as a "Restricted Fund" in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, shares in the Sub-Fund must not be offered, sold, transferred or delivered to:</p> <ul style="list-style-type: none"> <li>• Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,</li> <li>• Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and</li> </ul> <p>Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.</p>  |       |
| <b>CRS Classification</b>                   | Luxembourg Financial Institution (Investment Entity)  |       |
| <b>Disclosure Regulation Classification</b> | The Sub-Fund is classified as an article 6 Sub-Fund under the Disclosure Regulation   |       |
| <b>Distribution countries</b>               | Singapore   |       |

|  |   |  |
|--|---|--|
| <b>Risk management-Procedure</b>           | Relative VaR Approach   | 1 99% confidence level<br>2 1-day holding period<br>3 1-year observation period<br>daily calculation |
| <b>Derivative free Reference Portfolio</b> | 100% MSCI Taiwan Net Total Return USD Index (M1TW INDEX)  |  |
| <b>Expected Leverage</b>                   | Due to the investment strategy of the Fund the expected leverage by the use of derivatives is 350%. Leverage is calculated by the method Sum of Notionals according to specifications of the CESR / 10-788 Directive. In this context, a leverage of 100% is to be understood as unleveraged portfolio. |  |

## INCLUSION OF SUSTAINABILITY RISKS IN THE INVESTMENT PROCESS

As part of the investment process, the relevant financial risks are included in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector ("Disclosure Regulation"), which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the investment Sub-Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies. If sustainability risks materialize, portfolio adjustments may be made. Moreover, voting rights derived from the assets of the Sub-Fund are exercised on the basis of the voting guidelines that are based on the criteria of a transparent and sustainable corporate governance policy and other environmental and social criteria focused on the long-term performance of the assets held by the Sub-Fund. The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the investment Sub-Fund may be realized.

This Sub-Fund is not classified as a product promoting environmental or social characteristics within the meaning of the Disclosure Regulation (Article 8), nor as a product with sustainable investment as its objective (Article 9).

Explanations of any adverse sustainability impacts pursuant to Article 7(1) of the Disclosure Regulation will be included in this Prospectus and in the Fund's annual reports from 30 December 2022.

### Special Features of Total Return Swap Transactions:

- a) The investment policy of the sub-fund will allow the use of total return swaps, the rationale for their use is to allow more efficient access to equity markets requiring foreign investor ID such as Taiwan and South Korea, and implement relative value strategies.
- b) The underlying asset types of the total return swaps could be, primarily but not limited to, exposures to Taiwanese equities.
- c) The sub-fund will gain exposure to total return swaps up to a maximum of 150%, measured in relation to the sub-fund assets under management.
- d) The sub-fund will gain exposure to total return swaps in average of 100%, measured in relation to the sub-fund assets under management.

It should be noted, that the percentage figures mentioned in d) cannot be considered as investment restrictions and no compensation can be claimed in events of disregard. In case of sustainable changes in that the investment

strategy with regards to the use and extent of total return swaps as outlined above, the management company will adjust the provided information above as soon as possible.

## **PORTFOLIO MANAGER**

The Portfolio Manager HANSABAY PTE. LTD. manages the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objective and policies of the Sub-Fund as described in this Appendix, and is responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by it at its discretion.

## **COLLATERAL MANAGER**

The collateral management for transactions with derivatives of the Sub-Fund is outsourced to Universal-Investment-Gesellschaft mbH, Theodor-Heuss-Allee 70, 60486 Frankfurt am Main (the „Collateral Manager“). The Collateral Manager will initiate the exchange of collateral in order to mitigate the risks of transactions with OTC derivatives (“Collateral Management”). Collateral may be provided in for of cash or securities to be exchanged between the acting counterparties.

## **FEES AND EXPENSES**

### **Management Company and Administration Fee charged to Sub-Fund assets**

The remuneration of the Management Company and Administration Fee shall be calculated on each valuation day and paid out on a quarterly basis, based on the average net asset value of the relevant quarter.

The Management Company can accept a lower fee or waive the fee.

### **Depositary and Paying Agency Fee, Registrar and Transfer Agency Fee charged to Sub-Fund assets**

The remuneration is payable monthly on a pro rata basis. Transaction costs will be charged separately.

### **Portfolio Manager Fee**

The remuneration of the Portfolio Manager shall be calculated on each valuation day and paid to the Portfolio Manager quarterly, based on the average net asset value of the relevant month. The Portfolio Manager can accept a lower fee or waive the fee.

**APPENDIX**  
**UI - Cape Credit Fund**

**May 2021**

In addition to the provisions of the General Part of the Prospectus the following sub-fund's specific provisions apply. This appendix is only valid in connection with the General Part of the Prospectus.

|                             |  |
|-----------------------------|--|
| <b>Sub-Fund name</b>        | UI Cape Credit Fund  |
| <b>Sub-Fund currency</b>    | EUR  |
| <b>Investment objective</b> | The objective of the Sub-Fund is to seek to perform the 3-month Euribor + 200 basis points p.a. by investment in a diversified portfolio of fixed income securities  |
| <b>Investment policy</b>    | <p>The investment strategy of the Sub-Fund is based on investment in a diversified portfolio of fixed income securities, such as but not limited to bonds, convertible bonds, certificates, hybrid bonds of global reference issuers, in diverse currencies to achieve an optimal risk/reward profile.</p> <p>In order to maximize capital appreciation and income distribution the Sub-Fund can use suitable financial derivative instruments, such as Credit default Swaps.</p> <p>The Sub-Fund may acquire inter alia the following instruments in order to implement the investment strategy:</p> <p>Bonds covering all issuer types and all markets, including emerging markets:</p> <ul style="list-style-type: none"> <li>- Fixed or floating rate bonds;</li> <li>- Convertible bonds of various issuers;</li> <li>- Covered bonds;</li> <li>- Securitized debt;</li> <li>- Hybrid Bonds, i.e. equity-like subordinated corporate bonds with very long maturities or with no limitation on maturity that may be terminated by the issuer as of a date defined in advance (bonds with non-cumulative coupon distribution);</li> <li>- Up to 10% of the Net Asset Value of the Sub-Fund in Contingent convertible instruments (CoCos);</li> </ul> <p>Credit default swaps;</p> <p>Total return swaps;</p> <p>Bond options;</p> <p>Interest rate derivatives (IRS; interest rate and bond futures, swaptions on interest rates;</p> <p>Commercial papers;</p> <p>Money market instruments 6 money market funds.</p> <p>Up to 10% of the Net Asset value of the Sub-Fund may be invested in equity securities as a consequence of conversions of CoCos and/or convertible bonds held by the Sub-Fund in equity.</p> <p>The Sub-Fund will not enter into any securities financing transactions (securities lending, securities borrowing or any type of (reverse) repurchase agreements that fall under the regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transaction and the reuse and amending Regulation (EU) no. 648/2012.</p> <p>The Sub-Fund may not invest more than 10% of its assets in shares or units of other UCITS or UCI as mentioned in Article 41 (1) of the UCI law.</p> |

|   |  |   |   |   |
|---|--|---|---|---|
|   | <p>The Sub-Fund may not invest more than 10% of its net assets in Asset Backed Securities (ABS), Mortgage Backed Securities (MBS) and collateral debt obligations (CDO).</p> <p>Financial Derivative Instruments (FDI) can be used for investment and hedging purposes.</p>  |   |   |   |
| <b>Investor Profile</b>   | <p>The Sub-Fund is designed for investors who are able to assess the risks and the value of the investment. The investor must be prepared and able to deal with significant value fluctuations to the units and if necessary a considerable capital loss. This Sub-Fund is recommended to investors seeking a mid-term investment. A mid-term investment corresponds to a holding period of at least four (4) years.</p> |   |   |   |
| <b>Management Company</b>   | Universal-Investment-Luxembourg S.A.   |   |   |   |
| <b>Depository</b>   | State Street Bank International GmbH Luxembourg Branch   |   |   |   |
| <b>Registrar and Transfer Agent</b>   | State Street Bank International GmbH Luxembourg Branch   |   |   |   |
| <b>Paying Agent in Luxembourg</b>   | State Street Bank International GmbH Luxembourg Branch   |   |   |   |
| <b>Portfolio Manager</b>  | Cape Capital AG  |   |   |   |
| <b>Valuation day</b>  | Every full banking day, which is simultaneously a stock exchange day in Luxembourg, London and Frankfurt am Main (with the exception of 24 and 31 December of every year)  |   |   |   |
| <b>Cut-off time for subscriptions, redemptions and conversion of Shares</b> | 4 p.m. (Luxembourg time) on the relevant Business Day ( Dealing Date)  |   |   |   |
| <b>Payment of the issue prices</b>  | within three (3) Business Days after the Valuation Day   |   |   |   |
| <b>Payment of the redemption prices</b>                                     | within three (3) Business Days after the Valuation Day   |   |   |   |
| <b>Financial Year</b>   | 1 October – 30 September   |   |   |   |
| <b>1<sup>st</sup> Financial Year</b>  | <p>From launch to 30 September 2020</p> <p>First annual report to 30 September 2020</p>  |   |   |   |
| <b>Sub-Fund term</b>  | Unlimited  |   |   |   |
| <b>Share classes</b>  | Institutional A EUR<br>Accumulating<br>(IA EUR Acc)  | Institutional A USD<br>Accumulating<br>(IA USD Acc)<br>(hedged) | Institutional A CHF<br>Accumulating<br>(IA CHF Acc)<br>(hedged) | Institutional A GBP<br>Accumulating<br>(IA GBP Acc)<br>(hedged) |
| <b>Currency</b>   | EUR  | USD   | CHF   | GBP   |
| <b>Share class hedging</b>  | No   | Yes   | Yes   | Yes   |

|   |          |           |           |           |
|---|----------|-----------|-----------|-----------|
| <b>ISIN Code (ISIN)</b>                                 | ***      | ***       | ***       | ***       |
| <b>Securities identification number (WKN)</b>           | ***      | ***       | ***       | ***       |
| <b>Initial Issue Price (excluding Subscription Fee)</b> | EUR100,- | USD 100,- | CHF 100,- | GBP 100,- |

|   |  |  |  |  |
|---|--|--|--|--|
| <b>Initial minimum investment<sup>9</sup></b>     | EUR 50.000.000   | USD 50.000.000   | CHF 50.000.000   | GBP 50.000.000   |
| <b>Subsequent investment*</b>                     | None   | None   | None   | None   |
| <b>Subscription Price</b>                         | Up to 5%   | Up to 5 %  | Up to 5 %  | Up to 5 %  |
| <b>Subscription fee currently applicable</b>      | None   | None   | None   | None   |
| <b>Redemption Price</b>                           | None   | None   | None   | None   |
| <b>Appropriation of earnings</b>                  | Accumulating   | Accumulating   | Accumulating   | Accumulating   |
| <b>Exchange commission</b>                        | Where different share classes are offered within the sub-fund, an exchange of Shares from one share class for Shares in another share class within the sub-fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged. |  |  |  |
| <b>Launch date/ activation date in Luxembourg</b> | TBD  | TBD  | TBD  | TBD  |
| <b>Subscription period</b>                        | TBD  | TBD  | TBD  | TBD  |
| <b>Share classes</b>                              | Institutional A EUR Distributing (IA EUR Dis)  | Institutional A USD Distributing (IA USD Dis) (hedged) | Institutional A CHF Distributing (IA CHF DIS) (hedged) | Institutional A GBP Distributing (IA GBP Dis) (hedged) |
| <b>Currency</b>                                   | EUR  | USD  | CHF  | GBP  |
| <b>ISIN Code (ISIN)</b>                           | ***  | ***  | ***  | ***  |
| <b>Securities identification number (WKN)</b>     | ***  | ***  | ***  | ***  |

The Board may at its own discretion waive the initial minimum and subsequent investment amount

|   |          |           |           |           |
|---|----------|-----------|-----------|-----------|
| <b>Initial Issue Price (excluding Subscription Fee)</b> | EUR100,- | USD 100,- | CHF 100,- | GBP 100,- |
|---|----------|-----------|-----------|-----------|

|   |  |   |   |   |
|---|--|---|---|---|
| <b>Initial minimum investment<sup>10</sup></b>          | EUR 50.000.000   | USD 50.000.000  | CHF 50.000.000  | GBP 50.000.000  |
| <b>Subsequent investment*</b>                           | None   | None  | None  | None  |
| <b>Subscription Price</b>                               | Up to 5%   | Up to 5 %   | Up to 5 %   | Up to 5 %   |
| <b>Subscription fee currently applicable</b>            | None   | None  | None  | None  |
| <b>Redemption Price</b>                                 | None   | None  | None  | None  |
| <b>Appropriation of earnings</b>                        | Distributing   | Distributing  | Distributing  | Distributing  |
| <b>Exchange commission</b>                              | Where different share classes are offered within the sub-fund, an exchange of Shares from one share class for Shares in another share class within the sub-fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged. |   |   |   |
| <b>Launch date/ activation date in Luxembourg</b>       | TBD  | TBD   | TBD   | TBD   |
| <b>Subscription period</b>                              | TBD  | TBD   | TBD   | TBD   |
| <b>Share classes</b>                                    | Institutional B EUR<br>Accumulating<br>(IB EUR Acc)  | Institutional B USD<br>Accumulating<br>(IB USD Acc)<br>(hedged) | Institutional B CHF<br>Accumulating<br>(IB CHF Acc)<br>(hedged) | Institutional B GBP<br>Accumulating<br>(IB GBP Acc)<br>(hedged) |
| <b>Currency</b>   | EUR  | USD   | CHF   | GBP   |
| <b>ISIN Code (ISIN)</b>                                 | LU1998188996   | ***   | ***   | **  |
| <b>Securities identification number (WKN)</b>           | A2PKQH   | ***   | ***   | ***   |
| <b>Initial Issue Price (excluding Subscription Fee)</b> | EUR100,-   | USD 100,-   | CHF 100,-   | GBP 100,-   |

|  |             |             |             |           |
|--|-------------|-------------|-------------|-----------|
| <b>Initial minimum investment<sup>11</sup></b> | EUR 5.000,- | USD 5.000,- | CHF 5.000,- | GBP 5.000 |
|--|-------------|-------------|-------------|-----------|

<sup>10</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

<sup>11</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount



|   |  |              |              |              |
|---|--|--------------|--------------|--------------|
| <b>Subsequent investment*</b>                     | None   | None         | None         | None         |
| <b>Subscription Price</b>                         | Up to 5%   | Up to 5 %    | Up to 5 %    | Up to 5 %    |
| <b>Subscription fee currently applicable</b>      | None   | None         | None         | None         |
| <b>Redemption Price</b>                           | None   | None         | None         | None         |
| <b>Appropriation of earnings</b>                  | Accumulating   | Accumulating | Accumulating | Accumulating |
| <b>Exchange commission</b>                        | Where different share classes are offered within the sub-fund, an exchange of Shares from one share class for Shares in another share class within the sub-fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged. |              |              |              |
| <b>Launch date/ activation date in Luxembourg</b> | 15 May 2019  | TBD          | TBD          | TBD          |
| <b>Subscription period</b>                        | TBD  | TBD          | TBD          | TBD          |

|   |   |  |   |  |
|---|---|--|---|--|
| <b>Share classes</b>                                    | Institutional B EUR Distributing (IB EUR Dis) | Institutional B USD Distributing (IB USD Dis) (hedged) | Institutional B CHF Distributing (IB CHF (Dis) (hedged) | Institutional B GBP Distributing (IB GBP Dis) (hedged) |
| <b>Currency</b>   | EUR   | USD  | CHF   | GBP  |
| <b>ISIN Code (ISIN)</b>                                 | ***   | ***  | ***   | ***  |
| <b>Securities identification number (WKN)</b>           | ***   | ***  | ***   | ***  |
| <b>Initial Issue Price (excluding Subscription Fee)</b> | EUR100,-                                      | USD 100,-  | CHF 100,-   | GBP 100,-  |

|  |             |             |             |             |
|--|-------------|-------------|-------------|-------------|
| <b>Initial minimum investment<sup>12</sup></b> | EUR 5.000,- | USD 5.000,- | CHF 5.000,- | GBP 5.000,- |
| <b>Subsequent investment*</b>                  | None        | None        | None        | None        |
| <b>Subscription Price</b>                      | Up to 5%    | Up to 5 %   | Up to 5 %   | Up to 5 %   |
| <b>Subscription fee currently applicable</b>   | None        | None        | None        | None        |
| <b>Redemption Price</b>                        | None        | None        | None        | None        |

<sup>12</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

|   |  |   |   |   |
|---|--|---|---|---|
| <b>Appropriation of earnings</b>                        | Distributing   | Distributing  | Distributing  | Distributing  |
| <b>Exchange commission</b>                              | Where different share classes are offered within the sub-fund, an exchange of Shares from one share class for Shares in another share class within the sub-fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged. |   |   |   |
| <b>Launch date/ activation date in Luxembourg</b>       | TBD  | TBD   | TBD   | TBD   |
| <b>Subscription period</b>                              | TBD  | TBD   | TBD   | TBD   |
| <b>Share classes</b>                                    |  |   |   |   |
|   | Retail EUR<br>Accumulating<br>(R EUR Acc)  | Retail USD<br>Accumulating<br>(R USD Acc)<br>(hedged) | Retail CHF<br>Accumulating<br>Retail CHF Acc)<br>(hedged) | Retail GBP<br>Accumulating<br>(R GBP Acc)<br>(hedged) |
| <b>Currency</b>   | EUR  | USD   | CHF   | GBP   |
| <b>ISIN Code (ISIN)</b>                                 | ***  | ***   | ***   | ***   |
| <b>Securities identification number (WKN)</b>           | ***  | ***   | ***   | ***   |
| <b>Initial Issue Price (excluding Subscription Fee)</b> | EUR 100,-  | USD 100   | CHF 100,-   | GBP 100,-   |

|   |  |              |              |              |
|---|--|--------------|--------------|--------------|
| <b>Initial minimum investment<sup>13</sup></b>    | None   | None         | None         | None         |
| <b>Subsequent investment*</b>                     | None   | None         | None         | None         |
| <b>Subscription Price</b>                         | Up to 5%   | Up to 5 %    | Up to 5 %    | Up to 5 %    |
| <b>Subscription fee currently applicable</b>      | None   | None         | None         | None         |
| <b>Redemption Price</b>                           | None   | None         | None         | None         |
| <b>Appropriation of earnings</b>                  | Accumulating   | Accumulating | Accumulating | Accumulating |
| <b>Exchange commission</b>                        | Where different share classes are offered within the sub-fund, an exchange of Shares from one share class for Shares in another share class within the sub-fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged. |              |              |              |
| <b>Launch date/ activation date in Luxembourg</b> | TBD  | TBD          | TBD          | TBD          |

<sup>13</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

|                            |     |     |     |     |
|----------------------------|-----|-----|-----|-----|
| <b>Subscription period</b> | TBD | TBD | TBD | TBD |
|----------------------------|-----|-----|-----|-----|

|   |   |   |  |   |
|---|---|---|--|---|
| <b>Share classes</b>  | Retail EUR<br>Distributing<br>(R EUR Dis) | Retail USD<br>Distributing<br>(R USD Dis)<br>(hedged) | Retail CHF<br>Distributing<br>Retail CHF Dis<br>(hedged) | Retail GBP<br>Distributing<br>(R GBP Dis)<br>(hedged) |
| <b>Currency</b>   | EUR                                       | USD   | CHF  | GBP   |
| <b>ISIN Code (ISIN)</b>   | LU1998190208                              | ***   | ***  | ***   |
| <b>Securities<br/>identification<br/>number (WKN)</b>           | A2PKQV                                    | ***   | ***  | ***   |
| <b>Initial Issue Price<br/>(excluding<br/>Subscription Fee)</b> | EUR 100,-                                 | USD 100   | CHF 100,-  | GBP 100,-   |

|   |  |              |              |              |
|---|--|--------------|--------------|--------------|
| <b>Initial minimum investment<sup>14</sup></b>    | None   | None         | None         | None         |
| <b>Subsequent investment*</b>                     | None   | None         | None         | None         |
| <b>Subscription Price</b>                         | Up to 5%   | Up to 5 %    | Up to 5 %    | Up to 5 %    |
| <b>Subscription fee currently applicable</b>      | None   | None         | None         | None         |
| <b>Redemption Price</b>                           | None   | None         | None         | None         |
| <b>Appropriation of earnings</b>                  | Distributing   | Distributing | Distributing | Distributing |
| <b>Exchange commission</b>                        | Where different share classes are offered within the sub-fund, an exchange of Shares from one share class for Shares in another share class within the sub-fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged. |              |              |              |
| <b>Launch date/ activation date in Luxembourg</b> | TBD  | TBD          | TBD          | TBD          |
| <b>Subscription period</b>                        | TBD  | TBD          | TBD          | TBD          |

|  |  |
|--|--|
| <b>Management Company Fee and Administration Fee</b>   | Up to 1,05% p.a.; minimum EUR 50.000,- p.a.  |
| <b>Depository/Custodian Bank Fee</b>                   | Up to 0,03% p.a.; minimum EUR 30.000,- p.a. plus transaction-, custody- and other charges  |
| <b>Transfer Agency Fee</b>                             | EUR 1.500,- per ISIN plus transaction-, reporting- and other charges   |
| <b>Portfolio Manager Fee</b>                           | Below numerated fees are included in the above referred to Management Company and Administration Fee.<br>Share classes IA: up to 0,40 % p.a.<br>Share Classes IB: up to 0,60 % p.a.<br>Share Classes R.: up to 0,90 % p.a. |
| <b>Performance Fee</b>                                 | None   |
| <b>Distribution Fee</b>                                | None   |
| <b>Collateral Management Fee</b>                       | Up to 0,10 % p.a.  |
| <b>Charges for company secretary and domiciliation</b> | EUR 5.000,- p.a.   |

<sup>14</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

|                          |  |
|--------------------------|--|
| <b>Taxe d'abonnement</b> | Share Classes IB, R: 0.05% p.a.<br>Share Classes IA 0.01% p.a. |
|--------------------------|--|

|   |   |
|---|---|
| <b>FATCA classification</b>                 | <p>According to the current national Luxembourg FATCA legislation, the sub-fund qualifies as a "Restricted Fund" in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, shares in the sub-fund must not be offered, sold, transferred or delivered to:</p> <ul style="list-style-type: none"> <li>• Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,</li> <li>• Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and</li> <li>• Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.</li> </ul> |
| <b>CRS Classification</b>                   | Luxembourg Financial Institution (Investment Entity)  |
| <b>Disclosure Regulation Classification</b> | The Sub-Fund is classified as an article 6 Sub-Fund under the Disclosure Regulation   |
| <b>Distribution countries</b>               | Luxembourg, Germany, Switzerland  |
| <b>Risk Management-Procedure</b>            | Absolute VaR Approach<br>Limit = 4,40% (99% confidence level, 1-day holding period) based on 1-year observation period and daily calculation  |

|                          |   |
|--------------------------|---|
| <b>Expected Leverage</b> | Due to the investment strategy of the Fund the expected leverage by the use of derivatives is 200%. Leverage is calculated by the method Sum of Notionals according to specifications of the CESR / 10-788 Directive. In this context, a leverage of 0% is to be understood as unleveraged portfolio. |
|--------------------------|---|

## INCLUSION OF SUSTAINABILITY RISKS IN THE INVESTMENT PROCESS

As part of the investment process, the relevant financial risks are included in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector ("Disclosure Regulation"), which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the investment Sub-Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies. If sustainability risks materialize, portfolio adjustments may be made. Moreover, voting rights derived from the assets of the Sub-Fund are exercised on the basis of the voting guidelines that are based on the criteria of a transparent and sustainable

corporate governance policy and other environmental and social criteria focused on the long-term performance of the assets held by the Sub-Fund. The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the investment Sub-Fund may be realized.

This Sub-Fund is not classified as a product promoting environmental or social characteristics within the meaning of the Disclosure Regulation (Article 8), nor as a product with sustainable investment as its objective (Article 9).

Explanations of any adverse sustainability impacts pursuant to Article 7(1) of the Disclosure Regulation will be included in this Prospectus and in the Fund's annual reports from 30 December 2022.

## **FEES AND EXPENSES**

### **Management Company and Administration Fee charged to Sub-Fund assets**

The Management Company and Administration Fee for UIL is to be calculated on each valuation day and paid out on a quarterly basis, based on the average net asset value of the relevant quarter. The Management Company can accept a lower fee or waive the fee.

### **Depository and Paying Agency Fee, Registrar and Transfer Agency Fee charged to Sub-Fund assets**

The remuneration is payable monthly on a pro rata basis. Transaction costs will be charged separately.

### **Portfolio Manager Fee**

The remuneration of the Portfolio Manager shall be calculated on each valuation day and paid to the Portfolio Manager quarterly, based on the average net asset value of the relevant month. The Portfolio Manager can accept a lower fee or waive the fee.

### **Other Costs**

Costs for the provision of analysis material or services by third parties in relation to one or more financial instruments or other assets or in relation to the issuers or potential issuers of financial instruments or in close connection with a certain industry or a certain market up to 0,02% p.a. of the average value of the net asset value, in the relevant fiscal year of the sub-fund.

### **Special characteristics**

#### **- Investment policy:**

**For diversification purposes, the sub-fund invests primarily in fixed-income securities of issuers with different credit ratings, bonds and hybrid bonds of global reference issuers and CoCos ((contingent convertible bonds) max. 10% of the sub-fund's net assets).**

**The sub-fund's investments are not concentrated to specific currencies, countries, regions or sectors, but there is a focus on Western European companies with relatively large market capitalisation (greater than USD 100 million). The sub-fund invests in bonds that are classified as investment grade by at least one internationally accepted rating agency, whereby the absence of a rating does not necessarily lead to the exclusion of the security**

#### **- Derivatives are used for investment and hedging purposes. The qualified approach is used. The market risk potential is a maximum of 200 %**

#### **- Collateral Management is exercised by Universal-Investment-Luxembourg or sub-ordinated third parties**

#### **- Composition of the investment portfolio:**

**- Target funds: max. 10 %**

- No benchmark
- Number of security positions: app. 125

## **Appendix I - Additional information for investors in the Federal Republic of Germany**

Additional information for investors in the Federal Republic of Germany concerning the public distribution of shares of the sub-funds “UI – Petrus Advisers Special Situations Fund UCITS”, “UI - Aktia EM Frontier Bond+” and “UI - Aktia EM Local Currency Bond+” of the investment company “UI”

### **INFORMATION AGENT**

in the Federal Republic of Germany

Universal-Investment-Gesellschaft mbH  
Theodor-Heuss-Allee 70  
60486 Frankfurt am Main

### **DISTRIBUTORS**

in the Federal Republic of Germany

UI – Petrus Advisers Special Situations Fund UCITS

Petrus (UK) LLP  
6 New Street Square, New Letter Lane  
London EC4A 3AQ  
United Kingdom

UI - Aktia EM Frontier Bond+  
UI - Aktia EM Local Currency Bond+

Aktia Bank Plc  
Arkadiankatu 4-6  
FI-00101 Helsinki  
Finland

UI Cape Credit Fund

Universal Investment Gesellschaft mbH  
Theodor-Heuss-Allee 70  
60486 Frankfurt am Main  
Germany

**Since there are no shares issued as printed individual certificates, a Paying Agent has not been appointed in the Federal Republic of Germany.**

Redemption and conversion applications by shareholders in the Federal Republic of Germany may be submitted through their respective main bank, which will transmit the application via the usual settlement and clearing process to the Depositary / Registrar and Transfer Agent of the Fund in the Grand Duchy of Luxembourg. All payments to shareholders in the Federal Republic in Germany (redemption proceeds as well as possible dividends and other payments) will also be cleared through the usual settlement process with their respective main bank, so that German shareholders will receive payments from it.



The current Sales Prospectus, Articles of Association, Key Investor Information Document (KIID), Annual and Semi-Annual Reports and offering and redemption prices are available to shareholders free of charge in English language from the Management Company, Depositary, Registrar and Transfer Agent and the Information Agent in the Federal Republic of Germany.

The agreements indicated under "Publications" above and the Management Company's Articles of Association are also available for inspection at the offices indicated above.

The offering and redemption prices are published in the Federal Republic of Germany on the website [www.universal-investment.com](http://www.universal-investment.com). Any notices for shareholders are published in the electronic version of the German Federal Gazette (Bundesanzeiger).

### **Right of cancellation under § 305 KAGB**

If investment shares are purchased as a result of verbal negotiations outside the permanent business offices of the person selling the shares or acting as an intermediary for the sale, the buyer can cancel his declaration to purchase by sending a notice in text form of cancellation to the foreign management company within a period of two weeks (right of cancellation); this also applies if the person selling the shares or acting as an intermediary for the sale has no permanent business offices. In the case of a distance sale within the meaning of § 312b of the German Civil Code (Bürgerliches Gesetzbuch - BGB), cancellation is not permitted if financial services are purchased whose price is subject to fluctuations on the financial market (§ 312g paragraph 2 sentence 1 number 8 BGB).

Sending the notice of cancellation within the allotted time period is deemed sufficient for compliance with the deadline. Written notice of cancellation must be sent to Universal-Investment-Luxembourg S.A., 15, rue de Flaxweiler, L-6776 Grevenmacher, Grand Duchy of Luxembourg, indicating the person making the cancellation and his or her signature. No reasons need to be provided for cancellation.

The cancellation period does not begin until a copy of the application to enter into a contract has been provided to the buyer or a bought note has been sent to him containing information advising the buyer of his right of cancellation as above.

If the beginning of the period is disputed, the burden of proof is on the seller.

The buyer has no right of cancellation if the seller proves that the buyer bought the shares as part of his business operations, or that he called on the buyer for the negotiations leading to the sale of the shares based upon a previously arranged appointment in accordance with § 55 paragraph 1 of the German Trade, Commerce and Industry Regulation Act (Gewerbeordnung - GewO).

If a cancellation has been made and the buyer has already made payments, the foreign management company is obligated to pay the buyer, concurrently with the retransfer of the purchased shares, if necessary, any expenses paid plus an amount equal to the value of the purchased shares on the day following receipt of the notice of cancellation.

The right of cancellation cannot be waived.

### **Special risks arising from tax-related obligations in Germany**

The Management Company must provide proof of the accuracy of the tax basis notified. Should errors from the past be identified, there shall be no retrospective correction; instead, it shall be taken into account as part of the notification for the current financial year.

## **Notes concerning the taxation of income from foreign investment funds for investors from the Federal Republic of Germany**

Investment fund under Luxembourg law

**The following information on taxation is not intended to provide or substitute legally binding tax advice and does not assert the claim to cover all relevant tax-related aspects which may be of importance in connection with the purchase, possession or sale of units in the Fund. The items listed are neither exhaustive nor do they take into account any individual circumstances of particular investors or investor groups.**

### **General provisions**

The statements concerning tax regulations rules apply only to investors who have unlimited tax liability within Germany. We recommend that foreign investors contact their own tax advisers prior to purchasing units in the Investment Fund described in this Sales Prospectus and obtain individual clarification regarding the possible tax-related consequences in their home country arising from the purchase of units.

In Germany, foreign investment funds are, in principle, not liable for corporation or local business tax. However, the Investment Fund's taxable income is subject, for the private investor, to income tax as revenue from capital assets, insofar as it, together with other capital gains, exceeds the flat-rate savings level of EUR 801 p.a. (for unmarried persons or spouses taxed separately) and EUR 1,602 (for spouses taxed jointly).

Income from capital is, in principle, subject to a 25% rate of tax (plus the solidarity surcharge and church tax, if applicable). Income from capital assets also includes the income distributed from the Investment Fund, distribution-equivalent income, interim profits and profits from the purchase and sale of fund units if acquired after 31 December 2008.

The tax for the private investor has, in principle, the effect of a tax at source (known as the "flat-rate withholding tax"), so that the income from capital assets usually does not have to be included on the income tax return. When making a tax deduction through the domestic portfolio manager for the private investor, losses are already netted and offsettable foreign withholding tax is added.

However, this tax does not have the effect of a payment if the personal tax rate is lower than the flat-rate withholding tax of 25 %. In this case, the income from capital assets can be included on the income tax return. The tax authority then applies the lower personal tax rate and offsets the tax deduction against the tax liability (known as the "reduced-rate test").

Where income from capital assets has not been subject to taxation (for example, because a gain was made on the sale of fund units in a foreign securities account), this must be included on the tax return. In the context of the tax assessment the income from capital assets is also subject to the 25 % rate of withholding tax or the lower personal tax rate.

Despite taxation and the higher personal tax rate, information about the income from capital assets may be required if extraordinary expenses or itemised deductions (e.g. charitable donations) are claimed as part of the income tax return. If the units are held in the operating assets, the income is treated as business revenue for tax purposes. In this case, the tax will not have the effect of a final payment; there is no offsetting of losses through the domestic custodian. The tax legislation requires a sophisticated review of the income components in order to determine the income which is taxable and/or liable for capital gains tax.

Asset distributions are not deemed part of the distributed earnings. Under fiscal law, this is only the case if the Investment Company can prove that there is no distributable income within the meaning of the laws on the taxation of investments (KAGG, AuslInvestmG and the German Investment Act (hereinafter: InvStG)) from the current or an earlier financial year, and that the asset distributions were published and were included in the approved annual financial statements. However, deemed distributed income does not form part of distributable earnings in this sense. In the case of asset distributions, the acquisition

cost or amortised cost of the investor for the share of the investment has to be reduced by the share of the asset distribution attributable to the investor. Alternatively, business investors may instead enter an offsetting item on the liabilities side. In the case of the redemption or sale of fund units, the reduction in the acquisition cost for the private investor may also be replaced by the addition of the asset distributions.

## **I Units in private assets (resident taxpayers)**

### **1. Gains from the sale of securities, gains from futures and income from short option premiums**

Gains from the sale of shares, near-equity participation rights and, gains from futures and income from short option premiums generated at investment fund level are not taxable for the investor as long as they are not distributed. The same applies to the disposal of units in other investment funds. In addition, gains from the sale of the following capital claims are not taxable for the investor if they are not distributed.

This includes the following capital claims:

- (a) capital claims with an issuing yield,
- (b) capital claims with fixed or variable coupon in which the redemption of the capital is promised or granted at the same level (e.g. "normal" bonds, floaters, reverse floaters or downrating bonds),
- (c) risk certificates which replicate the price of a share or a public index for a number of equities on a 1:1 basis,
- (d) equity-like bonds, exchangeable bonds and convertible bonds,
- (e) profit obligations and debt capital participation rights traded without a separate statement of interest accrued (flat) and
- (f) "cum"-acquired warrant-linked bonds.

If gains from the disposal of the above-mentioned securities/capital claims, gains on futures and income from short option premiums are distributed, in principle they are taxable and are generally subject to a 25% tax deduction (plus the solidarity surcharge and church tax, if applicable). Distributed gains from the disposal of securities and gains from futures are nonetheless tax-exempt if the securities at investment fund level were acquired or the futures were entered into prior to 1 January 2009. For investors who have acquired units in an investment fund after 31 December 2008, a notional allocation of these tax-free distributed profits is made when calculating the capital gains (see point I 5. below). Gains from the sale of capital claims not included in the above list are to be treated like interest payments with regard to taxation (see point I 2. below).

### **2. Interest and interest-related income as well as domestic and foreign dividends**

Interest and interest-related income as well as foreign dividends are generally taxable for the investor. Whether such income is reinvested or distributed is irrelevant.

Distributed interest and interest-related income as well as domestic and foreign dividends from investments are normally subject to the deduction of 25% tax (plus the solidarity surcharge and any church tax applicable). In principle, the investor is subject to taxation on interest, dividends and other income. Whether such income is reinvested or distributed is irrelevant. It is generally subject to a tax rate of 25% (including a solidarity surcharge and, if applicable, a church tax). In the case of an investment fund classed as a reinvesting fund for tax purposes, the 25% tax rate (plus the solidarity surcharge) is not applied at the time of reinvestment. The income liable for taxation is instead accumulated and combined into what is referred to as 'cumulative distribution-equivalent income'. At the time of the redemption/sale of the investment units via a domestic custodian, this cumulative distribution-equivalent income is then taxed.

### **3. Negative taxable income**

Any negative income remaining after offsetting against similar positive income at investment fund level is carried forward for tax purposes at investment fund level. It may be offset at investment fund level against future similar positive taxable income in later years. It is not possible to attribute the negative taxable income to the investor. This negative income therefore only affects the investor's income tax

during the assessment period (tax year) in which the financial year of the investment fund ends or the distribution for the financial year of the investment fund takes place for which the negative taxable income is offset at investment fund level. Negative income cannot be deducted from the investor's income tax liability before that point of time.

#### **4. Asset distributions**

Asset distributions are not subject to taxation. Asset distributions received by the investor during the period he holds the investment have nonetheless to be added to the taxable result from the sale of fund units, i.e. they increase the taxable profit.

#### **5. Capital gains at investor level**

If units in an investment fund, which were purchased after 31 December 2008, are sold by a private investor, the capital gains are subject to a withholding tax rate of 25% (plus the solidarity surcharge and church tax, if relevant).

If units in an investment fund, which were acquired prior to 1 January 2009, are sold again by a private investor within one year of their acquisition (speculation period), the capital gains are, in principle, taxable as income from private sales transactions. The private investor's individual tax rate is applied to said profits. There is no tax deduction on such profits. If the total profit obtained via private sales transactions during the calendar year comes to less than EUR 600, it is tax-free (exemption limit). If this exemption limit is not reached, the entire private capital gains are liable for taxation.

In the case of a disposal of fund units acquired prior to 1 January 2009 outside the speculation period, the gains are tax-free for private investors.

When determining the capital gains, the interim profit at the time of acquisition is deducted from the acquisition cost and the interim profit at the time of sale is deducted from the sale proceeds, in order to avoid the double application of income tax on interim profits (see below). In addition, the disposal proceeds must be reduced by the amount of reinvested income which has already been taxed by the investor, so that here, too, there is no double taxation.

The sale proceeds shall be reduced by the distribution-equivalent income deemed to have been accrued during the holding period, as well as increased by the amount of foreign tax paid thereon, less a claim to reduction as defined in § 4(2) InvStG or capital gains tax within the meaning of § 7(3) and (4) InvStG. Distribution-equivalent income distributed during the holding period in a subsequent financial year shall be added to the sales proceeds.

If the investor acquires units in an investment fund after 31 December 2008, then from 1 January 2009 onwards, any tax-exempt distributed futures gains and gains on the sale of securities are to be added to the capital gains. From 31 December 2008, gains from the sale of fund units are tax-exempt insofar as they can be traced to income generated in the Fund during the holding period and not yet registered at investor level and tax-exempt under a double taxation agreement (a real property gain proportionate to the holding period). The management company publishes the real property gains on the valuation day as a percentage of the net asset value of the foreign investment fund.

## **II Units in business assets (resident taxpayers)**

### **1. Gains from the sale of securities, gains from futures and income from short option premiums**

Gains from the sale of shares, investment units, near-equity participation rights, gains from futures and income from short option premiums generated at investment fund level are not taxable for the investor as long as they are not distributed. In addition, gains from the sale of the following capital claims are not taxable for the investor if they are not distributed:

This includes the following capital claims ("good capital claims"):

- (a) capital claims with an issuing yield,
- (b) capital claims with fixed or variable coupon in which the redemption of the capital is promised or granted at the same level (e.g. "normal" bonds, floaters, reverse floaters or downrating bonds),
- (c) risk certificates which replicate the price of a share or a public index for a number of equities on a 1:1 basis,
- (d) equity-like bonds, exchangeable bonds and convertible bonds,
- (e) profit obligations and debt capital participation rights traded without a separate statement of interest accrued (flat) and
- (f) "cum"-acquired warrant-linked bonds.

If such gains are distributed, they must be taken into account for tax purposes at investor level. For investors that are corporate bodies, gains from the sale of shares are generally tax-exempt; however, 5% constitute non-deductible business expenses. In the case of other business investors (e.g. sole proprietorships), gains from the sale of shares are 40% tax-free (partial income procedure). In contrast, gains from the disposal of bonds/capital claims, gains from futures and income from short option premiums are fully taxable.

Gains from the sale of capital claims which are not included in the above list have to be treated like interest payments (see point II 2. below).

## 2. Interest and interest-equivalent income

In principle, the investor is subject to taxation on the interest and interest-equivalent income. Whether such income is reinvested or distributed is irrelevant. The interest to be taxed which comes from interest income as defined in sentence 3 of § 4h(3) of the Income Tax Act (*Einkommensteuergesetz* - hereinafter: EStG) must be taken into account pursuant to § 2(2a) InvStG within the scope of the provisions on interest deduction ceilings under § 4h EStG. Distributed interest and interest-related income is normally subject to a tax rate of 25% (plus the solidarity surcharge).

In the case of an investment fund classed as a reinvesting fund for tax purposes, the 25% tax rate (plus the solidarity surcharge) is not made at the time of reinvestment. The income liable for taxation is instead accumulated and combined into what is referred to as 'cumulative distribution-equivalent income'. During the redemption/sale of investment units, the income liable for taxation is instead accumulated and taxed via a domestic custodian.

## 3. Domestic and foreign dividends

Prior to 1 March 2013, dividends accrued, or deemed as having been accrued, by the foreign investment fund from domestic and foreign public limited companies that are distributed or reinvested in relation to units in business assets, were — with the exception of dividends pursuant to the Act on German real estate stock corporations with listed shares (hereinafter: REITG) — generally tax-exempt for corporate bodies; for corporate bodies, 5% of the dividends constitute non-deductible business expenses and were therefore liable to taxation. Due to new regulations regarding the taxation of free-float dividends, dividends accrued, or deemed as having been accrued, by the foreign investment fund from domestic and foreign public limited companies as a result of direct investment, are liable to taxation after 28 February 2013. For sole proprietorships, dividends – except those pursuant to the REITG – shall be taxed at 60% (partial income procedure).

In the case of other business investors (e.g. sole proprietorships) this income is 40% tax-exempt (partial income procedure). Domestic and foreign dividends are, in principle, subject to a 25% tax deduction (plus the solidarity surcharge).

In the case of an investment fund classed as a reinvesting fund for tax purposes, the 25% tax rate (plus the solidarity surcharge) is not made at the time of reinvestment. The income liable for taxation is instead accumulated and combined into what is referred to as 'cumulative distribution-equivalent income'. During the redemption/sale of investment units via a domestic custodian, this cumulative distribution-equivalent income is then taxed.

In the case of investors liable for local business tax, the dividend income which is in part exempt from income tax or corporation tax has to be added back for the purpose of determining the trading profit, but not reduced again. From the viewpoint of the tax authorities, dividends from foreign corporations can only be exempt from taxation in the form of what is referred to as intercompany dividends if the investor is a (corporate) entity as defined in the corresponding double taxation agreement and provided this investor is due a sufficiently high participation in the intercompany dividends.

#### **4. Negative taxable income**

Negative income remaining after offsetting against similar positive income at investment fund level is carried forward for tax purposes at investment fund level. It may be offset at investment fund level against future similar positive taxable earnings in later years. It is not possible to attribute the negative taxable income to the investor. This negative income therefore only affects the investor's income tax or corporation tax during the assessment period (tax year) in which the financial year of the investment fund ends or the distribution for the financial year of the investment fund takes place for which the negative taxable income is offset at investment fund level. It is not possible to deal with it in the investor's income tax or corporation tax earlier.

#### **5. Asset distributions**

Asset distributions are not taxable. For an investor who prepares accounts this means that the asset distributions have to be recognised in current earnings for the commercial accounts and an offsetting item has to be charged to expenditure on the liabilities side, thus technically reducing the historic acquisition costs with neutral impact on taxation. Alternatively, the amortised cost may be reduced by the pro rata amount of the asset distribution.

#### **6. Capital gains at investor level**

Gains from the sale of units in business assets are, in principle, tax-exempt for corporate bodies, provided they result from dividends not yet accrued or regarded as not yet accrued, and from realised and non-realised gains of the foreign investment fund from domestic and foreign shares and provided such dividends and gains are tax-free when allocated to the investor (so-called equity gains). For sole proprietorships, these sales proceeds shall be taxed at 60%. The management company publishes the equity gain (since 1 March 2013, due to the aforementioned legislative amendment, two separate equity gains are published for corporate bodies and sole proprietorships; if necessary, the separate publications shall only be made ex post facto) on the valuation day as a percentage of the unit value of the investment fund.

### **III Solidarity surcharge**

A solidarity surcharge of 5.5% is levied on the tax charge payable in the case of distributions or reinvestments. The solidarity surcharge may be offset against the income and corporation tax.

If no tax deduction is made - in the case of an adequate exemption order, submission of a non-assessment certificate or proof of non-resident status, for example - no solidarity surcharge will be due.

### **IV Church tax**

If income tax is already levied by a domestic custodian (entity deducting the tax), the applicable church tax — in accordance with the rate of the church tax for that religious community to which the individual liable for church tax belongs — is levied as an addition to the deduction of the tax. For this purpose, the individual who is liable to pay church tax may state his religious affiliation to the entity deducting the tax in a written application. Spouses must also declare in such an application the ratio of the share of the capital gains allotted to each of the spouses in relation to the entire capital gains of the spouses, so that the church tax is divided, retained and paid out in this ratio. If no proportions are stated, the church tax will be allocated per capita.

The deductibility of the church tax as an itemised deduction may be treated as reducing the tax payment.

## **V Foreign withholding tax**

To some extent, withholding tax is retained in the countries of origin on the investment fund's foreign income.

The Company may deduct the offsettable withholding tax at investment fund level as tax-allowable expenses. In this case, the foreign withholding tax can neither be offset nor deducted at investor level.

If the Company does not exercise its option to retain the foreign withholding tax at fund level, then for distributing foreign investment funds, the offsettable withholding tax shall be taken into account, causing a reduction in the amount of tax levied by the domestic custodian.

## **VI Income equalisation**

Parts of the issue price for issued units destined as income which can be allocated as distributions (income equalisation) must be treated, for tax purposes, like the income to which these parts of the issue price are attributed.

## **VII Proof of basis for tax assessment**

In the case of a foreign special investment fund in the meaning of § 16 InvStG, the foreign investment company must disclose to investors the bases of taxation pursuant to § 5(1) InvStG; publication in the 'elektronischer Bundesanzeiger' (hereinafter: the electronic Federal Gazette) may be waived due to the small number of investors. A foreign special investment fund in the meaning of § 16 InvStG shall only be considered to exist if the number of investors is limited to 100 and the investors are not natural persons. The foreign investment company shall, within 4 months following the end of the financial year and without special request, provide the German Federal Tax Office (*Bundeszentralamt für Steuern*) with a certificate from a duly authorised body, stating that the details were determined in accordance with the provisions of German tax law. For distributing foreign special investment funds, this period shall commence on the date of the resolution to distribute dividends.

For foreign special investment funds, the correction of material misstatements shall not be offset by the difference over the current financial year. Moreover, the erroneous amounts shall be taken into consideration in accordance with the general tax correction rules in the tax assessment in which they were included.

If the fund is not a foreign special investment fund (foreign retail investment fund), the foreign company must publish for investors the bases of taxation pursuant to § 5(1) InvStG within 4 months after the end of the financial year or no later than 4 months after the day of the distribution resolution in the electronic Federal Gazette.

In order to avoid flat-rate taxation pursuant to § 6 InvStG, foreign investment companies must disclose the amount of income deemed to have been accrued after 31 December 1993, but on which tax has not yet been paid (cumulative distribution-equivalent income) and to publish the bases of taxation with the redemption price within the same period.

If the foreign investment company has published erroneous information, then the discrepancies must, either independently or at the request of the German Federal Tax Office, be taken into account in the assessment for the current financial year.

## **VIII Taxation of interim income**

Interim profit comprises the remuneration contained in the sale or redemption price for interest accrued or accrued and gains from the sale of capital claims not mentioned in § 1(3), sentence 3, point (1)(a)–(f) InvStG, which the Fund has not yet distributed or reinvested and which consequently have not yet become liable for taxation for the investor (e.g. similar to interest accrued on fixed-income securities). The interim profit generated by the investment fund is subject to income tax if the shares are redeemed or sold by resident taxpayers. The tax deduction on interim profits is 25% (plus the solidarity surcharge and church tax, if relevant).

The interim profit paid on the purchase of units can be offset by the private investor for income tax purposes as negative revenue during the year in which the payment is made if income equalisation is applied and if reference is made to this fact on publication of the interim profit and as part of the tax data requiring certification by professionals. It is already applied to reduce the tax amount on payment of the tax for the private investor. If the interim profit is not published, a rate of 6 % p.a. (*pro rata temporis*) of the remuneration is to be construed as interim profit for the redemption or sale of the investment units. For business investors, the interim profit paid is a dependent part of the acquisition costs which do not require correction. In the event of the redemption or sale of fund units, the interim profit received forms an integral part of the sales proceeds. No correction shall be made.

## **IX Consequences of merging investment funds**

If an investment fund is transferred to another investment fund in the context of a transfer with a neutral impact on taxation as defined in § 17a in conjunction with § 14 InvStG, a distributing investment fund in the last financial year preceding the merger has to be treated, for tax purposes, as a reinvesting investment fund. The merger does not result in the disclosure of hidden reserves, either at investor level or at the level of participating investment funds. As a result, said reserves are not liable to taxation. For the absorbing investment fund, generated and not yet distributed income is transferred to investors on the transfer date as 'distribution-equivalent income'.

Cross-border mergers cannot be carried out without any tax being incurred. If investment funds are not merged with neutral impact on taxation, in taxation terms, the units in the transferring investment fund are redeemed/sold and the units in the absorbing investment fund are purchased.

## **X Transparent, semi-transparent and intransparent taxation**

The above-mentioned bases of taxation ('transparent taxation' for investment funds within the meaning of the InvStG) shall only apply if the Fund falls within the grandfather clause of the InvStG. This is the case if the Fund was launched prior to 24 December 2013 (day after promulgation of the Act adapting the Investment Tax Act and other acts to the Implementation Act of the German Alternative Investment Fund Managers Directive (hereinafter: AIFM-StAnpG) and the investment provisions and borrowing limits pursuant to the InvStG (as at 21 July 2013) have been met. Alternatively, or after expiry of the grandfather clause at the latest, the Fund must meet the tax investment provisions pursuant to the InvStG (AIFM-StAnpG of 18 December 2013, Federal Law Gazette I No. 76, p. 4318 et seq.). These are the principles under which the Fund is permitted to invest, in order to be treated as an investment fund for tax purposes. In both cases, all bases of taxation in accordance with the tax disclosure obligation according to the requirements in § 5(1) InvStG must have been disclosed. If the Fund has acquired units in other investment funds, the aforementioned bases of taxation shall apply only if: (i) the relevant target investment fund falls under the grandfather clause in the InvStG or the tax investment provisions pursuant to the InvStG and (ii) the Company complies with tax disclosure obligations regarding this target investment fund.

The Company shall endeavour to comply with the tax investment provisions and, in the case of the grandfather clause, the investment provisions and borrowing limits pursuant to the Investment Act and disclose all bases of taxation applying thereto. However, the necessary disclosure cannot be guaranteed, especially if the Fund has acquired units in an investment fund and the relevant company fails to comply with their disclosure obligations therefor. In this case, distributions and interim profit as well as 70% of the increase in value in the previous calendar year in relation to the relevant units of the investment fund (at least, however, 6% of the redemption price) are recognised as taxable income at fund of fund level. The Company also endeavours to disclose other bases of taxation outside the requirements under § 5(1) InvStG (particularly those for equity gains, real property gains and interim profit).

If the investment provisions and borrowing limits pursuant to the former German Investment Act and the tax investment provisions pursuant to the InvStG have not been adhered to, the Fund shall be treated as an investment company. The taxation is guided by the general principles for investment companies within the meaning of §§ 18 and 19 InvStG (AIFM-StAnpG) dated 18 December 2013, Federal Law Gazette I No. 76 p. 4318 et seq.



Germany is to amend the InvStG as part of an investment taxation reform. The envisaged deadline for entry into force of the amended InvStG is 1 January 2018. The taxation of the Fund and its income may, from a German tax perspective, significantly change. We wish to draw your attention to a number of important fundamental rules outlined below, and point out that the draft Act contains a multiplicity of new rules.

Among other things, the draft Investment Tax Reform Act stipulates that for investment funds, and from a German perspective, certain domestic income (dividends/rents/capital gains from real estate) should be taxed at Fund level with corporation tax from 2018. If the draft is passed as an act in this form, then as a rule, distributions, advance flat fees and profits from the sale of fund units should at investor level be liable to tax, whilst taking account of partial indemnities. At the same time, asset distributions shall be regarded as taxable distributions. It will no longer be possible to calculate deducted taxes. Partial indemnities should serve to settle the prior charges at Fund level so that, under certain circumstances, investors receive an all-in, tax-free proportion of the income generated by the Fund. However, this mechanism does not guarantee a complete settlement in each individual case.

As at 31 December 2017, a (rump) business year shall for tax purposes be regarded as ended, irrespective of the Fund's actual business year-end. As a result, dividend-like income may be regarded as accrued as at 31 December 2017. At this time, investors' fund units should also be regarded as sold and then as repurchased on 1 January 2018.

Within the meaning of the draft Act, however, a gain from the notional sale of units shall be regarded as accrued only when the units have actually been sold to the investors.

**NB:**

The tax information is based on the legal position at present. It is intended for persons in Germany who are fully liable for income tax or corporation tax. However, no guarantee can be given that the tax assessment will not alter as a result of legislation, court decisions or orders issued by the tax authorities.

**Legal and tax-related risk:**

An amendment to incorrectly determined bases of taxation for the Fund for previous financial years (e.g. as a result of corresponding request by the German Federal Tax Office) may lead to a correction which, in principle, has an adverse tax-related impact on the investor in that the investor has to bear the tax burden arising from the correction for previous financial years, even though he might not have been an investor in the Fund at that time. Conversely, the situation may arise for investors in which they no longer benefit from a positive tax correction for the current financial year and for past financial years in which they were invested in the Fund because they redeemed or sold their units before the corresponding correction was implemented. In addition, corrections to tax data may result in taxable income and tax benefits being assessed for tax purposes in a different tax period than that which is actually correct, which may have negative impact on individual investors.

## Appendix II - Additional information for investors in the United Kingdom

This collective investment scheme is recognised under section 264 of the Financial Services and Markets Act 2000 (the FSMA) and this Prospectus is available to the general public in the United Kingdom. Potential investors in the United Kingdom are advised that most, if not all, of the protections provided by the United Kingdom regulatory system generally and for UK authorised funds do not apply to recognised funds such as this collective investment scheme. In particular, investors should note that holdings of Shares in the fund will not be covered by the provisions of the Financial Services Compensations Scheme.

Facilities are maintained at the office Facilities Agent at:

Zeidler Legal Services (UK) Limited  
Aldgate Tower  
4th Floor  
2 Lemn Street  
London E1 8FA  
United Kingdom

(the “**UK Facilities Agent**”)

- a) where information in English can be obtained about the most recently published Redemption and Issue Prices of Shares;
- b) where an investor in the fund may redeem or arrange for the redemption of Shares and from which payment of the price on redemption may be obtained; and
- c) at which any person who has a complaint to make about the operation of the collective investment scheme can submit his complaint for transmission to the Management Company.

Copies of the following documents in English are available for inspection at the office of Zeidler Legal Services (UK) Limited:

- a) the most recent Prospectus;
- b) the most recent key investor information document(s);
- c) the most recently prepared and published annual reports and half-yearly reports;
- d) the Articles of Incorporation; and
- e) any resolutions amending the Articles of Incorporation.

The documents listed above are obtainable for an inspection free of charge or copies free of charge, in the case of the documents at a), b) and c) and otherwise at no more than a reasonable charge.

Where applicable, we would obtain “Reporting Fund” status from HM Revenue & Customs in the United Kingdom under the Offshore Funds (Tax) Regulations 2009 (“the Regulations”). The Regulations require us to inform investors of the amount of income per Share earned by the fund during the most recent annual period (referred to as “reportable income”). UK Investors may need this information when preparing their income tax returns and can obtain the report from our web site [www.universal-investment.com](http://www.universal-investment.com). Please contact your accountant/tax adviser for advice on how to report these amounts to HM Revenue & Customs. If you have any queries please do not hesitate to contact your usual Universal representative.

## **Appendix III - Additional information for investors in Switzerland**

### **Representative**

The representative in Switzerland is 1741 Fund Solutions AG, Burggraben 16, CH-9000 St. Gallen.

### **Paying Agent**

The paying agent in Switzerland is Tellco AG, Bahnhofstrasse 4, CH-6430 Schwyz.

### **Address for obtaining the relevant documents**

Publications relating to the Fund or Company are released in Switzerland on the electronic platform of fundinfo AG ([www.fundinfo.com](http://www.fundinfo.com)). Significant notices for shareholders such as important changes in the Sales Prospectus or Articles of Incorporation and the liquidation of the Company or Fund are published in this publication. The Sales Prospectus including the Articles of Incorporation, the Key Investor Information document (KIID) and the Annual and Semi-Annual Reports can be obtained free of charge from the representative in Switzerland (Tel.: 0041 (058) 458 48 00).

The Issue, Redemption and Conversion Prices and/or Net Asset Value with the note "exclusive of commission" are published daily on the electronic platform fundinfo AG ([www.fundinfo.com](http://www.fundinfo.com)).

### **EU taxation of interest**

The European Community and Swiss Confederation have concluded an Agreement on rules which are equivalent to those laid down in the Directive on the taxation of savings income (the "Agreement"). On the basis of the Agreement and the relevant instructions published by the Swiss tax authorities, the significant points with regard to investment funds established outside Switzerland, but which are distributed by Swiss paying agents, may be summarised as follows:

- Swiss paying agents must pay a tax retention (the "Retention") on the payments of interest to beneficiaries who are natural persons resident in a Member State of the European Union (the "Investor"). The Investor may specifically give consent to a notification in place of the retention of tax.
- The following rules on marginality are applied:

Earnings from investment funds which directly and/or indirectly invest not more than 15% of their assets in claims as defined in Article 7(1)(a) of the Agreement are not deemed to be payments of interest.

Distributions from investment funds which directly and/or indirectly invest more than 15%, but not more than 40%, of their assets in claims as defined in Article 7(1)(a) of the Agreement are subject to retention. The earnings realised on the sale, redemption or return of the shares of this investment fund are not subject to retention.

Distributions from investment funds or earnings from the sale, redemption or return of shares of investment funds, investing directly and/or indirectly more than 40% of the assets in claims as defined

in Article 7(1)(a) of the Agreement and realising interest within the scope of the Agreement, are subject to retention.

If the Paying Agent of the investment fund does not receive the necessary information concerning the proportion of the interest payments in the earnings, the aggregate amount of the distribution shall be deemed to constitute an interest payment and the Paying Agent must retain the entire amount of the distribution (Article 7(3) of the Agreement). The same rules apply in the case of the sale, redemption and return of shares.

Interest payments from claims against debtors domiciled in Switzerland are not subject to the Agreement (with several exceptions, e.g. Swiss investment funds for which withholding tax does not have to be applied).

For investors for whom the qualification of the investment fund under the Agreement is important - i.e. the question as to whether an investment fund is covered by the rules on marginality in accordance with letters a and b above (which should typically be the case with equity funds) - are required to contact the Paying Agent before making an investment.

### **Payment of trailer fees and discounts**

The Company/Fund and its representatives may pay trailer fees to compensate for the distribution of Fund shares in Switzerland or from Switzerland. This compensation may in particular include the following services:

- transfer of Fund shares;
- service by the relevant order agent (bank, platform or equivalent).

Trailer fees are not categorised as discounts even if they are ultimately passed on to the investor.

The recipients of the trailer fees ensure transparent disclosure and shall inform investors, forthwith and free of charge, of the amount of compensation which they could receive for the distribution.

On request, the recipients of the trailer fees shall disclose the amounts actually received in respect of the distribution of the Fund shares from such investors.

The Company/Fund and their agents do not pay any discounts for distribution in or from Switzerland in order to reduce the fees and costs accruing to the investors and charged to the Fund.

### **Fee-sharing agreement**

There are no agreements concerning the sharing of fees.

### **Place of performance and jurisdiction**

The place of performance and jurisdiction for shares distributed in and from Switzerland is the representative's registered office.

## Appendix IV - Additional information for investors in Ireland

**This Country Supplement, dated 01.01.2021, form part of, and should be read in the context of, and in conjunction with, the prospectus for the SICAV dated NNN 2021.**

The Directors of the SICAV, whose names appear in the Directory section of the Prospectus, accept responsibility for the information contained in this Country Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document does not contain any untrue or misleading statement or omit any matters required to be included in it. The Directors accepts responsibility accordingly.

All capitalised terms herein contained shall have the same meaning in this document as in the Prospectus, unless otherwise indicated.

The Directors wish to inform Shareholders and prospective investors in the SICAV of the following:

The SICAV is an open-ended investment fund, incorporated under the laws of Grand Duchy of Luxembourg as a société d'investissement à capital variable ("**SICAV**") in accordance with the provisions of Part I of the UCI Law and qualifies as a UCITS.

The Central Bank of Ireland (the "Central Bank") has not approved and takes no responsibility for the contents of the Prospectus or for the financial soundness of the SICAV or for the correctness of any statements made or expressed in the Prospectus.

### **FACILITIES AGENT**

The Facilities Agent for the SICAV in Ireland is Zeidler Legal Services Process Outsourcing Limited, 5 Lower Mount Street, Dublin 2, Ireland, (the "**Facilities Agent**"). The Facilities Agent will provide the following services in connection with marketing the shares of the Fund in Ireland:

1. The following documents relating to the SICAV will be available to shareholders for inspection without charge, during regular business hours at the registered office of the Facilities Agent.
  - (i) the Prospectus, as amended;
  - (ii) the Key Investor Documents ("KIIDs");
  - (iii) the most recent annual and half-yearly reports of the Fund;
  - (iv) the Articles of Incorporation.
  
2. The Facilities Agent will carry out the following tasks:
  - (i) It will provide information on how a redemption request can be made and how redemption proceeds will be paid.
  - (ii) It will provide further information about the Fund and the relevant dealings procedures if requested.

- (iii) It will forward any complaints received to the Head Office and/or the Complains Handling Officer of the SICAV.

The name of the SICAV and the name and address of the Facilities Agent will be placed by the Central Bank of Ireland on a list of collective investment schemes marketing in Ireland which will be made available to the public on request.

**Taxation**

Investors and prospective investors in the SICAV should seek their own professional advice as to the tax consequences before investing in share in the SICAV. Taxation law and practice, and the levels of taxation may change from time to time.