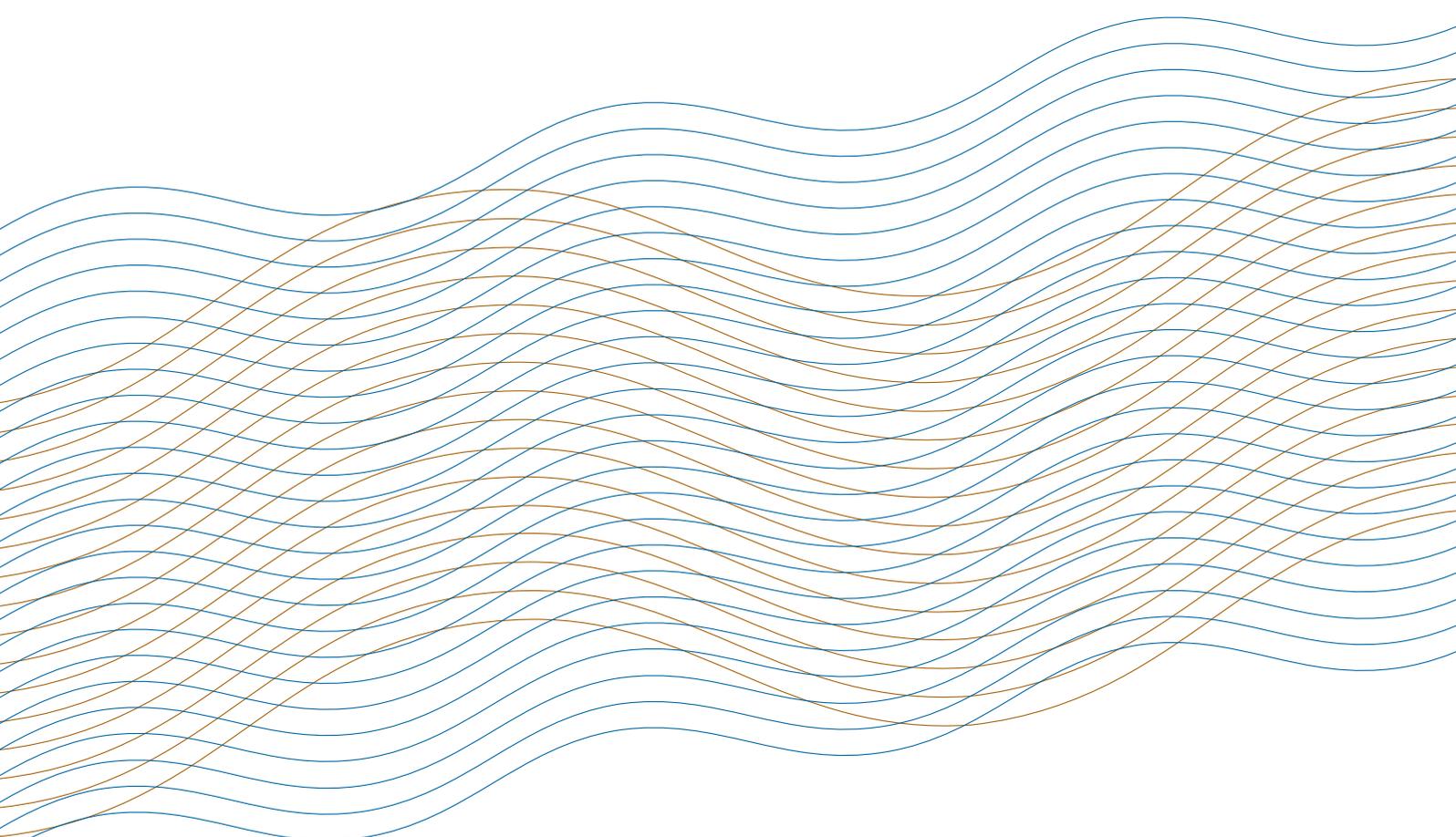


# ACATIS DATINI VALUEFLEX FONDS

UCITS Investment Fund under German Law  
Sales Prospectus including the Terms and Conditions of Investment



CAPITAL MANAGEMENT COMPANY

**ACATIS**

CUSTODIAN

UBS Europe SE, Frankfurt am Main

Units in the ACATIS Datini Valueflex Fonds investment fund may be purchased and sold on the basis of the currently applicable Sales Prospectus, the Key Information Document, and the applicable General Terms and Conditions of Investment in conjunction with the Special Terms and Conditions of Investment. The General Terms and Conditions of Investment and the Special Terms and Conditions of Investment can be found in Parts F and G at the end of this Sales Prospectus.

Upon request, the Sales Prospectus shall be provided free of charge to any party interested in acquiring a unit in the ACATIS Datini Valueflex Fonds investment fund, together with the most recently published annual report, as well as any semi-annual report published thereafter. In addition, the Key Information Document must be made available free of charge in good time before conclusion of the contract.

No information or statements deviating from this Sales Prospectus may be issued. Any purchase or sale of units based on information or statements not contained in this Sales Prospectus shall be undertaken at the exclusive risk of the investor. The Sales Prospectus is supplemented by the most recent annual report and any subsequently published semi-annual report.

## **INVESTMENT RESTRICTIONS FOR US PERSONS**

ACATIS Investment Kapitalverwaltungsgesellschaft mbH and/or ACATIS Datini Valueflex Fonds have not been and are not being registered pursuant to the latest version of the U.S. Investment Company Act of 1940. The units of the investment fund have not been and will not be registered under the latest version of the United States Securities Act of 1933 or under the securities legislation of any federal state of the United States of America. Units in ACATIS Datini Valueflex Fonds may not be offered or sold within the USA or to a U.S. person or on their behalf. Parties interested in acquiring units must, where appropriate, demonstrate that they are not U.S. persons, and that they are neither acquiring units on behalf of U.S. persons nor intending to transfer them to U.S. persons. US persons are those who are US nationals or who are resident and/or subject to taxation in the USA. US persons may also be partnerships or companies established in accordance with the laws of the USA or a federal state, territory or possession of the USA.

## **MAIN LEGAL EFFECTS OF THE CONTRACTUAL RELATIONSHIP**

By acquiring units, the investor become a co-owner of the assets held by the investment fund, in proportion to the number of their units. He/she is not able to dispose of the assets. There are no voting rights associated with the units.

All publications and publicity materials shall be written in German or shall be provided with a German translation. Furthermore, ACATIS Investment Kapitalverwaltungsgesellschaft mbH shall communicate with its investors entirely in German.

The legal relationship between ACATIS Investment Kapitalverwaltungsgesellschaft mbH and the investor as well as the pre-contractual relationships are based on German law. The head office of ACATIS Investment Kapitalverwaltungsgesellschaft mbH is the place of jurisdiction for complaints of the investor against ACATIS Investment Kapitalverwaltungsgesellschaft mbH resulting from the contractual

relationship. Investors who are consumers (see the following definition) and live in another EU country can also file a suit before a court with jurisdiction at their place of legal residence. The enforcement of court judgements is based on the Code of Civil Procedure and, where applicable, the Act on Enforced Auction and Receivership or the Insolvency Code. As ACATIS Investment Kapitalverwaltungsgesellschaft mbH is subject to domestic law, domestic rulings need not be accepted before being enforced.

In order to enforce their rights, investors may take legal action before the ordinary courts or try an alternative dispute resolution procedure if there is one.

ACATIS Investment Kapitalverwaltungsgesellschaft mbH is obligated to take part in dispute resolution proceedings before a consumer arbitration board.

In the event of disputes, consumers can contact the "Investment Funds Ombudsman" of BVI Bundesverband Investment und Asset Management e.V., the responsible consumer arbitration body. ACATIS Investment Kapitalverwaltungsgesellschaft mbH will take part in dispute resolution proceedings held before this arbitration body.

The contact details of the "ombudsman for investment funds" are:

Office of the BVI ombudsman  
Bundesverband Investment und Asset Management e.V.  
Unter den Linden 42  
10117 Berlin  
Telephone: (030) 6449046 - 0  
Fax: (030) 6449046 - 29  
E-mail: [info@ombudsstelle-investmentfonds.de](mailto:info@ombudsstelle-investmentfonds.de)  
[www.ombudsstelle-investmentfonds.de](http://www.ombudsstelle-investmentfonds.de)

Consumers are natural persons who invest in the investment fund for a purpose that may neither mainly be attributed to their commercial nor their independent professional activities and who therefore do business for private purposes.

If there are disputes in relation to purchase agreements or service agreements that have occurred electronically, consumers may also employ the online dispute resolution platform of the EU ([www.ec.europa.eu/consumers/odr](http://www.ec.europa.eu/consumers/odr)). The platform is not a dispute resolution authority itself, but it merely helps the parties to make contact with a competent national arbitration body.

The right to seek redress in court shall remain unaffected by a dispute resolution procedure.

Securities ID No. / ISIN:

Unit class A: A0RKXJ / DE000A0RKXJ4  
Unit class B: A1H72F / DE000A1H72F1  
Unit class X (TF): A2QSGT / DE000A2QSGT9

Launch date:

Unit class A: 22/12/2008  
Unit class B: 15/04/2011  
Unit class X (TF): 26/07/2021

As at: **20/11/2023**

**NB:**

**The Sales Prospectus will be updated if there are any significant changes.**

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## A. Brief summary of the partners of ACATIS Datini Valueflex Fonds

### 1. Capital management company & Distributor

Name	ACATIS Investment Kapitalverwaltungsgesellschaft mbH
Street address	mainBuilding Taunusanlage 18 60325 Frankfurt am Main
Website	www.acatis.de
Foundation date	1994
Legal form	Limited liability company
Commercial register	Frankfurt am Main (HRB 38666)
Subscribed and paid-up capital	€ 10,000,000.00 (as at: June 2023)
Equity capital	€ 48,656,075.00 (as at: June 2023)
Managing Directors	Dr Claudia Giani-Leber Dr Hendrik Leber Thomas Bosch
Supervisory Board	Dr Annette Kersch, Chairwoman Independent management consultant, Frankfurt am Main Dr Johannes Fritz Independent management consultant, Bad Soden am Taunus Prof Dr Stefan Reinhart Attorney at Law, Frankfurt am Main Evi Vogl Independent management consultant, Munich

### 2. Custodian

Name	UBS Europe SE
Street address	Bockenheimer Landstrasse 2 - 4 60306 Frankfurt am Main
Telephone	+49 (0) 69 21 79-0

Fax	+49 (0) 69 21 79 - 6354 <sup>1</sup>
Legal form	European stock corporation
Commercial register	Frankfurt am Main (HRB 58164)
Liable capital	€ 2,653 millions (as at: 31 December 2022)
Management Board	Tobias Vogel (CEO) Georgia Paphiti Pierre Chavenon Heinrich Baer Dr Denise Bauer-Weiler

### 3. Investment Advisor

Name	ACATIS Investment Kapitalverwaltungsgesellschaft mbH Walzenhausen branch / Switzerland
Postal address	Güetli 166 CH-9428 Walzenhausen
Telephone	0041 (0) 71 886 45 51
Fax	0041 (0) 71 886 45 59

### 4. Auditor

KPMG AG Wirtschaftsprüfungsgesellschaft  
The Squaire  
Am Flughafen  
60549 Frankfurt am Main

<sup>1</sup> The fax number cannot be used for issuing orders.

## **B. General provisions**

### **1. The investment fund (the Fund)**

The ACATIS Datini Valueflex Fonds investment fund (hereinafter, the "Fund") is an undertaking for collective investment which collects capital from a number of investors in order to invest it pursuant to a stipulated investment strategy for the benefit of those investors (hereinafter, the "investment fund"). The Fund is an investment fund within the meaning of 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 (hereinafter referred to as "UCITS") within the meaning of the German Capital Investment Code (KAGB). It is managed by the asset management company ACATIS Investment Kapitalverwaltungsgesellschaft mbH (hereinafter the "Company"). The Fund was launched on 22 December 2008 for an indefinite period.

The Company invests the capital deposited with it in its own name and for the joint account of investors, but separately from its own assets in the form of an investment fund. Said capital is invested pursuant to the principle of risk diversification in assets permitted under the KAGB. The purpose of the Fund is limited to investing in accordance with a specified investment strategy within the framework of collective asset management, using the funds deposited with it; the UCITS investment fund does not have an operating function or active business management of the assets held. The assets in which the Company may invest investors' funds, and the rules it must follow in doing so, are stated in the KAGB and its associated regulations as well as the Investment Tax Act (hereinafter referred to as "InvStG") and the Terms and Conditions of Investment that govern the legal relationship between the investors and the Company. The Terms and Conditions of Investment include a general and a special part (the "General Terms and Conditions of Investment" and the "Special Terms and Conditions of Investment"). Prior to their application, terms and conditions of investment for a public investment fund must be approved by the Federal Financial Supervisory Authority (referred to hereinafter as "BaFin"). The Fund does not form part of the Company's insolvency assets.

### **2. Sales documentation and disclosure of information**

The Sales Prospectus, the Key Information Document, the Terms and Conditions of Investment and the current annual and semi-annual reports may be obtained free of charge from the Company, the Custodian or the Distributor and also from the Company's website (<https://www.acatis.de>).

Additional information regarding the investment limits of the risk management policy for this Fund, the risk management methods and the most recent developments regarding risks and returns for the most important asset classes may be obtained from the Company in electronic or written form.

### **3. Terms and Conditions of Investment and amendments thereto**

The Terms and Conditions of Investment can be found after the end of this Sales Prospectus. The Terms and Conditions of Investment may be amended by the Company. Amendments to the Terms and Conditions of Investment must be approved by BaFin. Amendments to the investment principles of the Fund must also be approved by the Company's Supervisory Board. Amendments to the Fund's previous investment principles are permitted only upon the condition that the Company offers investors either the redemption of their units free of charge before the changes come into effect, or the exchange of

their units free of charge for units of other investment funds with comparable investment principles, provided that the Company or one of its group companies manages such investment funds.

The proposed amendments shall be published in the German Federal Gazette (Bundesanzeiger) and on the Company's website (<https://www.acatis.de>). If the amendments relate to fees and expenses which may be withdrawn from the Fund, or to the investment principles of the Fund or essential investor rights, the investors will also be informed of their depository institutions by a medium on which information can be stored, viewed and passed on without any changes, e.g. in paper or electronic form (i.e. "permanent data medium"), for a duration that is appropriate for providing the information. This information will include the key content of the planned amendments, the reasons for their implementation, investors' rights in connection with the amendment, and a statement of where and how further information can be obtained.

The amendments shall become effective no sooner than the day following their publication. Amendments to regulations applicable to fees and the reimbursement of expenses shall become effective no sooner than three months following their publication, unless an earlier date is determined with BaFin approval. Amendments to the Fund's current investment principles shall also become effective no sooner than three months following their publication.

## 4. Management Company

### Company name, legal form and registered office

The Fund is managed by the capital management company ACATIS Investment Kapitalverwaltungsgesellschaft mbH, founded on 13 June 1994 and with its registered office in Frankfurt am Main, Germany.

ACATIS Investment Kapitalverwaltungsgesellschaft mbH is an asset management company within the meaning of the KAGB in the legal form of a limited liability company (GmbH).

The Company has been authorised to manage securities investment funds since 2017. The Company possessed prior authorisation to operate as a financial services institute as per the German Banking Act ("Kreditwesengesetz"). The Company is authorised to manage investment assets as per the UCITS Directive based on the German Investment Code ("Kapitalanlagegesetzbuch"), in force since 21 July 2013. The Company is authorised to act as a UCITS asset management company.

### Management Board and Supervisory Board

More detailed information regarding the Management Board, the composition of the Supervisory Board, the subscribed and paid-up capital, and equity capital can be found in Section A "1. Capital management company" of this Sales Prospectus.

## 5. Custodian

The KAGB provides for a separation between the management and custody of assets. The custodian holds the assets in blocked custodian accounts and blocked accounts. In the case of assets that cannot be held in custody, the custodian assesses whether the Company has acquired ownership of these

assets. It monitors whether the Company disposes of the assets in accordance with the provisions of the KAGB and the Terms and Conditions of Investment. Investments in bank deposits with another credit institution and disposals of these bank deposits are permitted only with the approval of the custodian. The custodian must grant its approval if such investment or disposition complies with the Terms and Conditions of Investment and the provisions of the KAGB.

The custodian, furthermore, has the following specific responsibilities:

- Issuing and redeeming Fund units;
- Ensuring that the issue and redemption of units, as well as the calculation of the unit value, are carried out in accordance with the provisions of the KAGB and the Terms and Conditions of Investment;
- Ensuring that, with regard to transactions for the joint account of investors, the equivalent value is received into its custody within the customary deadlines;
- Ensuring that the income of the Fund is used in accordance with the provisions of the KAGB and the Terms and Conditions of Investment;
- Monitor credit borrowing by the Company on behalf of the Fund and, where appropriate, approve credit borrowing.

#### **Company name, legal form and registered office of the Custodian**

The Company has appointed UBS Europe SE, with its registered office in Frankfurt am Main, as the custodian. This is a credit institution under German law. UBS Europe SE is a universal bank with a focus on performing bank and financial transactions, especially credit, securities underwriting, asset management and securities transactions.

#### **Sub-custodian**

The Custodian has delegated the following custodian tasks to another company (sub-custodian):

- The safekeeping of assets held on behalf of the Fund may be carried out by the sub-custodians specified in Section D of this Sales Prospectus.

The following conflicts of interest may arise from this transfer:

- The sub-custodian UBS AG referred to in Section D of this Sales Prospectus is a company affiliated to the Custodian.
- The custodian has established binding organisational principles and procedures and a control framework. This serves not least to avoid or mitigate potential conflicts of interest where a sub-custodian is used. In particular, the custodian shall ensure functional and hierarchical separation from its related undertakings.

The above information has been provided to the Company by the custodian. The Company has checked this information for plausibility. However, it has to rely on the information provided by the custodian and cannot verify its accuracy and completeness in detail. The sub-custodians listed in Part D may change at any time. In principle, not all of these sub-custodians are used for the Fund.

## Liability of the Custodian

As a rule, the Custodian is responsible for all assets placed either in its custody or, with its consent, in the custody of a third party. If such an asset is lost, the Custodian shall be liable to the Fund and its investors, unless this loss is attributable to events outside the Custodian's control. For damages other than the loss of an asset, the Custodian shall (in principle) only be liable if it has failed to fulfil its obligations under the provisions of the KAGB through negligence, as a minimum.

## Additional information

On request, the Company will provide investors with the latest information on the custodian and its duties, the sub-custodians and on potential conflicts of interest in relation to the activity of the custodian or the sub-custodian.

## 6. Investment Advisor

In implementing its investment strategy, the Company uses the services of an investment advisor. The Company has appointed ACATIS Investment Kapitalverwaltungsgesellschaft mbH, Walzenhausen branch, with its registered office in Walzenhausen (Switzerland) (hereinafter, the "Investment Advisor") to perform this task.

The Investment Advisor is a Swiss branch of the Company. Details regarding the Investment Advisor can be found in the overview in Part A of this Sales Prospectus. Taking into consideration the general conditions applicable to the Fund and the legal stipulations, the Investment Advisor provides the Company with non-binding investment recommendations with a view to investing in assets and concluding the corresponding transactions. To this end, the Investment Advisor is required to monitor and analyse all markets and investments relevant to this purpose.

The Investment Advisor shall be liable to the Company for the fulfilment of these obligations. However, this does not affect the Company's prudential obligations or its civil liability to investors in the Fund. Appointing the Investment Advisor does not establish legal relationships between the Investment Advisor and investors in the Fund.

The Investment Advisor acts on behalf of the Fund on the basis of a contract entered into with the Company regarding the advisory services. The Investment Advisor may terminate the contract at any time by giving two weeks' notice. The Company also has ordinary and extraordinary termination rights.

If the Investment Advisor is no longer available to provide advisory services to the Fund, the Company shall, unless another investment advisor can offer services that ensure a continuation of the investment strategy, terminate the management of the Fund subject to a statutory notice period of six months. As a result, the Fund may be liquidated after this period and the proceeds paid out to investors (for this process, see Section 20 "Liquidation, transfer and merger of the Fund"). The Company shall not continue to pursue the investment policy described in Section 11 "Investment objective, investment principles and investment policy" until the end of the notice period. Instead, it shall invest the Fund's assets exclusively in bank deposits and money market instruments, provided this is permitted by terms and conditions of investment.

## 7. Risk information

**Prior to any decision regarding the purchase of Fund units, investors should carefully read the following risk information, together with the other information contained in this Sales Prospectus, and take this into account in their investment decision. The incidence of one or more of these risks may, individually or together with other circumstances, negatively affect the performance of the Fund or of the assets held in the Fund, and thereby also negatively affect the unit value.**

**If investors sell units of the Fund at a time when the value of assets in the Fund has decreased compared to when the units were purchased, they will not get back the capital they invested in the Fund, either in whole or in part. The investor may lose some or even all of the capital that it has invested in the Fund. Capital growth cannot be guaranteed. 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.**

**In addition to the risks and uncertainties described below or elsewhere in the Sales Prospectus, the Fund's performance may also be affected by various other risks and uncertainties that are currently unknown. The order in which the following risks are listed does not imply the probability of their occurrence, nor the extent or significance of occurrence of individual risks.**

### Fund investment risks

The risks typically associated with investing in a UCITS are described below. These risks may have a negative effect on the unit value, the capital invested by the investor or the duration of investment in the Fund as planned by the investor.

#### Fluctuation of the Fund unit value

The unit value of the Fund is calculated by dividing the Fund's value by the number of units in circulation. In this way, the Fund's value is the sum of the market values of all the Fund's assets, less the sum of the market values of all the Fund's liabilities. The unit value of the Fund therefore depends on the value of the assets held in the Fund and the amount of liabilities of the Fund. If the value of these assets drops, or the value of the liabilities increases, the Fund unit value will fall accordingly.

#### Impact of taxation issues on individual performance

The fiscal treatment of investment income depends on the investor's specific circumstances and may be subject to change in future. Investors should contact their personal tax advisor in relation to specific issues – especially taking into account their specific fiscal situation.

#### Taxation risks due to hedging transactions on behalf of key investors

The possibility cannot be ruled out that it will not be possible to fully or partially offset/reimburse capital gains tax on German dividends and on income from domestic equity-equivalent profit participation rights which the investor acquires on underlying investments. The capital gains tax is fully offset/reimbursed if (i) the investor holds German shares and German equity-like profit participation rights for

45 days continuously during a period of 45 days prior to and after the due date of the capital gains (a total of 91 days), and (ii) if during these 45 days they continuously bear at least 70 % of the risk of these holdings or participation rights falling in value (i.e. "45-day rule"). In addition, for the purposes of offsetting capital gains tax there must not be any obligation to pay the capital gains to another person, whether directly or indirectly (e.g. by means of swaps, securities lending transactions or repurchase transactions). Therefore, rate-hedging transactions or futures transactions which directly or indirectly hedge against risks associated with German shares or German equity-equivalent profit participation rights may be detrimental. Rate-hedging transactions via value and price indices are deemed to be indirect hedging in this context. If the Fund is deemed to be an entity which is closely associated with the investor and if it undertakes hedging transactions, this may lead to those transactions being attributed to the investor with the result that the investor therefore does not comply with the 45-day rule.

If capital gains tax is not withheld on corresponding income earned by the investor on underlying investments, hedging transactions by the Fund may lead to such income being attributed to the investor and to the investor having to pay the capital gains tax to the tax office.

### **Amendment(s) to the investment policy or Terms and Conditions of Investment**

The Company may amend the Terms and Conditions of Investment subject to BaFin approval. Any such amendment may also affect the rights of investors. For instance, the Company may amend the Fund's investment policy or increase the costs to be charged to the Fund by changing the Terms and Conditions of Investment. The Company may also change the investment policy within the legally and contractually permitted range of investments without changing the Terms and Conditions of Investment or having them approved by BaFin. As a result, the risks associated with the Fund may change.

### **Suspension of unit redemption**

The Company may temporarily suspend the redemption of units in the event of extraordinary circumstances which appear to make such suspension necessary in the interests of the investors. Extraordinary circumstances in this case may be, for example, economic or political crises, an exceptional number of redemption requests as well as the closure of stock exchanges or markets, trade restrictions or other factors which impact the calculation of the unit value. Moreover, BaFin may instruct the Company to suspend the redemption of units if this is deemed necessary in the interests of the investors or the public. During such periods, investors are not allowed to redeem their units. Even during periods when the redemption of units is suspended, the unit value may fall, for example, if the Company were forced to sell assets at less than their market value during this time. The unit value after the resumption of unit redemption may be lower than before suspension of the redemption. The suspension of unit redemption may be immediately followed by the liquidation of the Fund, without the resumption of unit redemption, for example, if the Company terminates management of the Fund in order for it to be liquidated. Investors may then be subject to the risks of not being able to keep to their planned holding period and not having access to substantial portions of the invested capital for an indefinite period or losing the invested capital entirely.

### **Liquidation of the Fund**

The Company is entitled to cease managing the Fund. The Company may fully liquidate the Fund once management has been discontinued. After a notice period of six months, the right of disposal over the Fund will pass to the Custodian. This means that the investors incur the risk of being unable to complete

their planned holding period. Upon transfer of the Fund to the custodian, the Fund may become subject to taxes other than German income tax. If the Fund units are removed from the securities account of the investor after termination of the liquidation procedure, the investor may become subject to income tax.

### **Transfer of all of the Fund's assets to another open-ended public investment fund (merger)**

The Company may transfer all of the Fund's assets to another UCITS. In this case, investors may either (i) redeem their units, (ii) retain them, meaning that they become investors in the absorbing UCITS, or (iii) exchange them for units in an open-end public investment fund with comparable investment principles if the Company or an associated undertaking manages such a fund. This also applies if the Company transfers all of the assets of another open-end public investment fund to the Fund. Investors must therefore make a new investment decision prior to any such transfer. Redeeming units may give rise to income taxes. Upon exchanging units for units in a fund with comparable investment principles, the investor may be subject to taxes if, for example, the value of the units obtained exceeds the value of the old ones at the time of acquisition.

### **Transfer of the Fund to another capital management company**

The Company may transfer the management of the Fund to another capital management company. The Fund may remain unchanged along with the position of the investor. However, the investor must decide as part of the transfer whether it considers the new capital management company to be just as suitable as the previous one. If he does not want to remain invested in the Fund under the new management, he must redeem his units. Income tax may be incurred.

### **Profitability and achievement of the investment objectives of the investor**

There can be no guarantee that investors will achieve their desired investment objectives. The unit value of the Fund may fall and lead to losses for the investor. No guarantees are given by the Company or third parties as to any particular minimum payment commitment upon redemption or any particular investment performance of the Fund. Investors may get back less than they originally invested. In addition, any issuing surcharge paid upon the acquisition of units may reduce or even wholly offset the performance of an investment, particularly if the investment is only held for a short duration.

### **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. This also takes into account relevant sustainability risks as defined in Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector (hereinafter the "Disclosure Regulation"), which may have a material adverse effect on the return of an investment.

Sustainability risk is defined as an environmental, social or governance event or condition that could have a material adverse effect on the value of the investment. Sustainability risks can therefore lead to a material deterioration in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the investment valuation process, they may have a material adverse effect on the expected/estimated market price and/or liquidity of the investment and therefore on the return of the Fund. Sustainability risks can have a significant impact on all known risk types and are a contributing factor to the materiality of these risk types.

When selecting assets for the investment fund, in addition to the objectives and investment strategies, the influence of the risk indicators, including sustainability risks, is also assessed.

The assessment of risk quantification includes aspects of sustainability risks and relates these 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 valuation process (price indication) on the basis of the potential material impact of risks on the investment fund's return. Nevertheless, depending on the asset and due to external factors, negative effects on the investment fund's return may materialise.

## **Risks from the use of certificates**

The Company may invest in certificates on behalf of the Fund. Certificates are bonds that may have derivative components and reflect the performance of an underlying asset (even without a derivative component). The underlying asset may be a security, index, currency, cryptocurrency, precious metal or commodity. The development of the underlying asset depends to a great degree on the economic outlook, the interest rate environment, the political situation, exchange rate developments and inflation developments. Certificates grant an entitlement to payment of a certain amount at the end of a predetermined term. The amount of this payout depends on the underlying asset and the structure of the certificate. Certificates also offer the opportunity to profit from the rising or falling performance of the underlying asset. Leverage provides above-average risk-reward ratios for certain types of certificate. This is because, on the one hand, the leverage allows the opportunity to benefit above-average from the price developments of the underlying asset. On the other hand, there is also a higher risk that can have an impact up to and including total loss. As a result, certificates may have completely different income opportunities and risks of loss.

## **Risks of negative Fund performance (market risk)**

The risks that are associated with investments in individual assets by the Fund are shown below. These risks may affect the performance of the Fund or the assets held therein and thereby have an adverse effect on the unit value and the investor's capital invested.

### **Risks of changes in value**

The assets in which the Company invests on behalf of the Fund are subject to risks. Losses may thus occur if the market value of the assets decreases in comparison to the cost price, or if spot and futures prices evolve differently.

### **Capital market risk**

The development of the market values of financial products particularly depends on the performance of the capital markets, which is in turn influenced by the general situation of the global economy, as well as the economic and political conditions in individual countries. General price trends, particularly on stock markets, can also be affected by irrational factors such as mood swings, opinions and rumours. Fluctuations in prices and market values may also be caused by changes in interest rates, exchange rates or issuer credit ratings.

**Price change risk of equities**

Experience shows that equities are subject to strong price fluctuations and thus also to the risk of price decreases. These price fluctuations are particularly affected by the profit performance of issuing companies and developments within the industry, as well as overall macroeconomic developments. Market confidence in the company concerned may also affect price development. This is particularly true of companies whose shares have only recently been admitted for trading on a stock exchange or other organised market, where even minor changes in forecasts can trigger dramatic price movements. If, for a particular share, the volume of freely tradable shares held by a large number of shareholders ("free float") is low, even smaller buy or sell orders of this share may have a substantial effect on the market price and lead to significant price fluctuations.

**Interest rate risk**

Investing in fixed-rate transferable securities is connected with the possibility that the interest rate at the time of issuance of a transferable security might change. If the current interest rate increases as against the interest at the time of issue, fixed rate securities will generally decrease in value. Conversely, if the market interest rate falls, the price of fixed-income transferable securities will increase. These developments mean that the current yield of fixed rate securities roughly corresponds to the current interest rate. However, such fluctuations can vary significantly, depending on the (residual) maturity of fixed-rate transferable securities. Fixed-rate securities with short maturities bear lower price risks than those with long maturities. On the other hand, fixed-rate transferable securities with shorter maturities generally have smaller yields than those with longer maturities. Money market instruments tend to involve lower price risks due to their short maturity of up to a maximum of 397 days. In addition, the interest rates of different, interest-related financial instruments denominated in the same currency and with a similar residual maturity, may undergo different developments.

**Risk of negative credit interest**

The Company invests the Fund's liquid funds with the custodian or other banks on behalf of the Fund. For these bank deposits, an interest rate is partly agreed that corresponds to the European Interbank Offered Rate (Euribor) less a specific margin. If the Euribor falls below the agreed margin, this will lead to negative interest rates on the corresponding account. Depending on the development of the European Central Bank's interest-rate policy, short, medium and long-term bank deposits may have a negative interest rate.

**Risk of changes in the price of convertible bonds and warrant bonds**

Convertible bonds and warrant bonds securitise the right to exchange bonds for shares or to acquire shares. The performance of convertible bonds and warrant bonds therefore depends on the performance of the underlying shares. The risks associated with the performance of the underlying shares may therefore also affect the performance of the convertible bond or warrant bond. Warrant bonds granting the issuer the right to pay the investor a pre-defined number of shares instead of repaying a nominal sum (reverse convertibles) are even more strongly dependent on the relevant share price.

## **Risks associated with derivative transactions**

The Company may enter into derivative transactions for the Fund. The purchase and sale of options, as well as the conclusion of futures or forward contracts or swaps, entail the following risks:

- The use of derivatives can result in losses that cannot be predicted and may even exceed the amounts used for the derivative transaction.
- Changes to the value of the underlying instruments can diminish the value of an option right or futures or forward contract. If the value is reduced to nil and the derivative becomes worthless, the Company may be forced to relinquish the acquired rights. The Fund could also suffer losses through changes in the value of an asset forming the basis of a swap.
- The leverage effect of options can result in a greater impact on the value of the Fund assets than would be the case with the direct use of underlying assets. The risk of loss may be impossible to determine at the time of concluding the transaction.
- There may not be a liquid secondary market for a particular instrument at any particular time. A position in derivatives may then, under certain circumstances, be impossible to close profitably.
- The purchase of options carries the risk that the option will not be exercised because the prices of base values do not progress as expected, so that the option premium paid by the Fund is forfeited. The sale of options carries the risk that the Fund is required to purchase assets at a higher market price than the current one or to deliver them at a lower market price than the current one. The Fund then suffers a loss amounting to the difference in price minus the option premium.
- Futures and forward contracts are associated with the risk that the Company is obliged, for the account of the Fund, to bear the difference between the price at the time of concluding the transaction and the market price at the time of settlement or maturity. This would cause the Fund to suffer losses. The risk of loss is impossible to determine at the time of concluding the futures or forward contract.
- If it is necessary to conduct an offsetting transaction (close-out), this is associated with costs.
- Forecasts made by the Company regarding the future performance of underlying assets, interest rates, prices and currency markets may subsequently prove to be incorrect.
- It may not be possible for the assets underlying the derivatives to be bought or sold at an opportune time or it may be necessary for them to be bought or sold at an inopportune time.

With over-the-counter (OTC) transactions, the following risks may occur:

- There may be no organised market, meaning that the Company may find it difficult or impossible to sell financial instruments purchased on the OTC market on behalf of the Fund.
- As a result of the individual agreement, the conclusion of an offsetting transaction (close-out) may be difficult, not possible or associated with significant costs.

## **Risks relating to the receiving of collateral**

The Company receives collateral for derivative transactions. Derivatives may increase in value. In that case, the collateral provided may become insufficient to cover the Company's full delivery and return claims to the counterparty.

The Company may invest cash collateral in blocked accounts, high-quality government bonds, or money market funds with a short maturity structure. However, the credit institution where the bank deposits are held may default. Government bonds or money market funds may decrease in value. At the end of the agreement, the invested collateral could no longer be fully available, despite the Company's obligation to return it in the original amount on behalf of the Fund. In this case, the Fund will have to bear the losses sustained on the collateral.

### **Risk associated with securitisation positions without a deductible**

The Fund may only purchase transferable securities that securitise loans (loan securitisation positions) and were issued after 1 January 2011 if the debtor retains at least 5% of the securitisation volume as a deductible and meets other requirements. The Company is obliged therefore to take remedial action in the interests of the investors if Fund assets include securitisations that do not meet this EU standard. Under this remedial action, the Company may be compelled to dispose of these securitisation positions. As a result of the legal regulations for banks, fund companies and insurance companies, there is the risk that the Company will not be able to sell the securitisation positions or will only be able to do so at significant price discounts or after a considerable delay. This may result in losses for the Fund.

### **Inflation risk**

Inflation carries a risk of depreciation for all assets. This also applies to the assets held in the Fund. The inflation rate may be higher than the capital growth of the Fund.

### **Currency risk**

The Fund's assets may be invested in currencies other than the Fund currency. The Fund will receive the income, repayments and proceeds from such investments in the relevant currency. If this currency decreases in value relative to the Fund's currency, the value of such investments will also fall, resulting in a drop in the value of the Fund's assets.

### **Concentration risk**

If the investment is concentrated in certain assets or markets, the Fund is heavily dependent on the development of these assets or markets.

### **Risks in conjunction with the investment in investment units**

The risks for investment funds whose units are acquired for the Fund ("target funds") are closely connected with the risks associated with the assets held in those target funds and/or the investment strategies pursued by the target funds. Since the managers of the individual target funds act independently of one another, the various target funds may pursue the same or opposing investment strategies. This may result in existing risks accumulating and possible opportunities cancelling each other out. The Company is not normally in a position to control the management of target funds. Their investment decisions do not necessarily have to conform to the assumptions or expectations of the Company. Often, the Company may not be completely up-to-date on the current composition of the target funds. In case the allocation does not meet the Company's assessments or expectations, it might only be able to react with a considerable delay, i. e. by redeeming units of the target funds.

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

### **Risks resulting from the range of investments**

In observance of the investment principles and restrictions laid down by law and the Terms and Conditions of Investment, which provide for a broad framework for the Fund, the actual investment policy can also be geared towards acquiring assets by, for example, focusing on only a few sectors, markets or regions/countries. This concentration on a few specific investment sectors may entail risks (e.g. narrow markets, high volatility within certain economic cycles). The annual report provides information as to the content of the investment policy over the relevant reporting period.

### **Risks of the Fund's limited or increased liquidity in relation to multiple subscriptions or redemptions (liquidity risk)**

The risks that may have a negative impact on the Fund's liquidity are shown below. This may lead to the Fund not being able to meet its payment obligations temporarily or permanently and to the Company not being able to meet the redemption requests of investors temporarily or permanently. Investors may not be able to hold their investment for the length of time envisaged and the invested capital or parts thereof may not be available to the investors for an indefinite period. The materialisation of liquidity risks may also cause a decrease in the value of the Fund's assets and thereby a decrease in the unit value, for example, if the Company were forced to sell assets on behalf of the Fund, at less than their market value, to the extent legally permitted. If the Company is unable to meet the redemption requests of the investors, this may also result in the suspension of the redemption and, in extreme cases, in the subsequent liquidation of the Fund.

### **Risk associated with investing in assets**

The Fund may also acquire assets that are neither admitted to a stock exchange nor admitted to or included in another organised market. In some situations it might be impossible to sell such assets except subject to considerable discounts or delays, if at all. In some cases, even the sale of assets admitted to a stock exchange may only be possible with sizeable discounts, or not at all, depending on market conditions, volumes, time frames and planned costs. Although it is only possible to acquire assets for the Fund that can, in principle, be liquidated at any time, it cannot be ruled out that, temporarily or permanently, these assets can only be sold at a loss.

### **Risk associated with borrowing**

The Company may take out loans on behalf of the Fund. Variable-interest loans can also have negative effects on Fund assets in the event of rising interest rates. If the Company must pay back a loan and cannot meet this obligation through follow-up financing or using the liquidity available in the Fund, it may be compelled to dispose of assets prematurely or at less favourable conditions than envisaged.

## **Risks through numerous redemptions or subscriptions**

Investors' buying and selling orders add liquidity to or remove liquidity from the Fund's assets. These inflows and outflows may result in a net gain or loss in the Fund's cash holdings. This net inflow or outflow may prompt the Fund manager to buy or sell assets which will result in transaction costs. This applies, in particular, if a quota for liquid assets stipulated for the Fund is exceeded or fallen below as a result of the in and outflows. The resulting transaction costs are charged to the Fund's assets and may affect the performance of the Fund. In the case of inflows, increased Fund liquidity may adversely affect the Fund's performance if the Company cannot invest the funds under adequate conditions.

## **Counterparty risk including credit risk and receivables risk**

The risks that may affect the Fund as the result of a business relationship with another party ("counterparty") are outlined below. There is a risk that the counterparty may no longer be able to fulfil its agreed obligations. This may be detrimental to the performance of the Fund and thereby have an adverse effect on the unit value and the capital invested by the investor.

### **Default risk / counterparty risks (other than central counterparties)**

The default of an issuer ("issuer") or a contracting partner ("counterparty") against whom the Fund has claims may result in losses for the Fund. Issuer risk refers to the impact of particular developments concerning a given issuer that, in addition to the influence exerted by general trends in capital markets, affect the price of a transferable security. Even when the utmost care is exercised in selecting the transferable securities, it cannot be ruled out that losses may be incurred due to the financial collapse of issuers. The counterparty of a contract concluded on behalf of the Fund may default either wholly or partly (counterparty risk). This applies to all contracts entered into on behalf of the Fund.

### **Risk associated with central counterparties**

A central counterparty (CCP) acts as an intermediary on behalf of the Fund in particular transactions, particularly those involving financial derivatives. In these cases, it will act as the buyer vis-à-vis the seller and as the seller vis-à-vis the buyer. A CCP hedges against the risk that its business partners will not be able to fulfil their contractual commitments through a range of protective mechanisms that enable it at all times to offset losses from transactions concluded (e.g. using collateral). Despite such protective mechanisms, it is still possible for a CCP to be overindebted and to default, which could also affect claims of the Company on behalf of the Fund. This could result in losses for the Fund.

## **Operational and other risks to the Fund**

The risks that may occur in the Company or with external third parties as a result of human or system error are outlined below. These risks may have an impact on the performance of the Fund and therefore also have a negative effect on the unit value and the capital invested by the investor.

### **Risks associated with criminal activities, grievances or natural disasters**

The Fund may fall victim to fraud or other criminal activities. It may suffer losses due to mistakes by employees of the Company or external third parties or be damaged by external events such as natural disasters or pandemics.

**Country or transfer risk**

There is the risk that, despite being able to pay, a foreign debtor may not be able to provide payment in good time or at all or only in a different currency as a result of the inability or unwillingness of its country of domicile to transfer the currency or for other reasons. Thus, for example, payments to which the Company is entitled on behalf of the Fund may fail to be made or may be made in a currency that is not (or is no longer) convertible or must take place in another currency due to foreign exchange restrictions. If the debtor pays in another currency, this position will be subject to the currency risk described above.

**Legal and political risks**

Investments may be made on behalf of the Fund in jurisdictions where German law does not apply or, in the event of legal disputes, where the place of jurisdiction is outside Germany. The resulting rights and obligations of the Company on behalf of the Fund may vary from those in Germany, to the disadvantage of the Fund or investor. Political or legal developments, including changes to the legal framework in these jurisdictions, may be identified by the Company either too late or not at all, or result in restrictions on acquirable assets or those already acquired. Such situations may also be brought about by changes in the German legal framework relating to the Company and/or the management of the Fund.

**Changes to the taxation framework, tax risk**

The summary information on tax regulations in this Sales Prospectus is based on the current legal situation. It is intended for persons in Germany who are subject to unrestricted income or corporation tax. However, no assurance can be given that this tax treatment will not change as a result of legislation, case law or decrees issued by the tax authorities.

A change to the Fund's tax bases – that were incorrectly established for previous financial years (e.g. based on external tax audits) – may, in the case of a tax correction that has an adverse impact on an investor, result in the investor being required to pay tax for previous financial years due to the correction, even though he may not have been an investor in the Fund at that time. On the other hand, it may be the case that an investor does not reap the benefits of a tax correction favourable to him for the current and previous financial years when he was an investor in the Fund because he redeemed or sold the units before the correction.

In addition, a correction of tax data can result in taxable income or tax advantages being recorded in a period that differs from the actual applicable assessment period, resulting in adverse effects for some investors.

**Key person risk**

A very positive investment performance of the Fund during a particular period may also depend on the suitability of the acting persons and therefore on the right management decisions. The members of the fund management may, however, change. New decision-makers may not be as successful.

**Custody risk**

A risk of loss that may result from insolvency, due diligence violations or the Custodian and force majeure is associated with assets being held in custody, especially abroad.

**Risks associated with trading and clearing mechanisms (settlement risk)**

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

**8. Explanation of the Fund's risk profile**

The factors listed below, which give rise to both opportunities and risks, have a particular influence on the Fund's performance:

- Developments on the international stock markets.
- Developments on the international futures markets.
- Developments on the international foreign exchange markets.
- Company-specific developments.
- Exchange rate changes of non-euro currencies against the euro.
- Changes in yields or price developments on the bond markets.
- Development of yield differentials between government bonds and corporate bonds (spread development).
- The Fund may temporarily concentrate its investments to a greater or lesser extent on certain sectors, countries or market segments. This may also give rise to opportunities and risks.
- The Fund may invest in so-called decarbonisation notes issued for the purpose of discontinuing European emission allowances. The Company therefore promotes the CO2 neutrality of the Fund. The notes fall in value after the emission allowances have been discontinued and therefore have a fundamental negative impact on the performance of the Fund. Further details on how the decarbonisation notes work are described in the section "Investment principles and investment policy".

Further information regarding the risk profile of the Fund can be found in its Key Information Document which can be downloaded from the Company's website (<https://www.acatis.de>).

**9. Increased volatility**

Due to its composition and investment policy, the Fund is subject to increased volatility, i.e. unit prices may be subject to considerable fluctuations even within a short space of time.

## 10. Profile of the typical investor

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 fluctuations in the value of the units, and potentially a considerable capital loss. The Fund is suitable for investors with a long-term investment horizon. The Company's opinion should not be construed as investment advice; it is given to provide investors with an initial indication as to whether the Fund is in line with their investment experience, risk appetite and investment horizon.

## 11. Investment objective, investment principles and investment policy

### Investment objective

The investment objective of the Fund is to achieve the highest possible growth in value and has the option of additionally contributing to the reduction of CO2 emissions.

### Investment principles and investment policy

The Company may acquire the following assets for the Fund:

- Transferable securities pursuant to § 5 of the General Terms and Conditions of Investment,
- Money market instruments pursuant to § 6 of the General Terms and Conditions of Investment,
- Bank deposits pursuant to § 7 of the General Terms and Conditions of Investment,
- Investment units pursuant to § 8 of the General Terms and Conditions of Investment,
- Derivatives pursuant to § 9 of the General Terms and Conditions of Investment,
- Other investment instruments pursuant to § 10 of the General Terms and Conditions of Investment.

The investment policy described below is the one being pursued at the time of this Sales Prospectus being prepared. However, it may change at any time, within the framework of the Terms and Conditions of Investment.

The Company acquires and sells the eligible assets based on its assessment of the economic and capital market situation and other stock market prospects.

At least 25% of the value of the Fund's assets (the amount of the assets is determined according to the value of the assets of the investment fund as defined in § 1(2) of the InvStG, excluding liabilities) shall be invested in equity investments as defined in § 2(8) nos. 1, 3 and 4 of the InvStG that can be acquired for the Fund in accordance with these Terms and Conditions of Investment (balanced funds as defined in § 2(7) of the InvStG). The actual equity investment ratios of target investment funds within the meaning of § 2(5), sentence 1 of the InvStG that may be acquired for the UCITS investment fund in accordance with these Terms and Conditions of Investment may be taken into account.

The fund aims to exploit investment opportunities on a situational and opportunistic basis. This makes for a very flexible investment rate, which can vary between 0 and 100%. The value concept is the main focus, although this relates to investment classes as well as equities. In principle, investments should be made for the long term. However, the outlook of various asset classes and sub-segments must be

reviewed at regular intervals. Investments are then implemented either on the basis of units in investment funds or a basket of individual securities. Derivatives can be used to enhance opportunities or reduce risk. Where no clear opportunities can be identified, the Fund may keep the liquidity ratio high, even over long periods.

The Fund may acquire so-called decarbonisation notes in order to promote the CO<sub>2</sub> neutralisation of the portfolio and also contribute effectively to climate protection. To this end, the Company regularly calculates the CO<sub>2</sub> footprint for the Fund and may purchase decarbonisation notes to the appropriate extent. These are securities issued, for example, by a bank. With the proceeds of the decarbonisation notes issue, the bank buys European CO<sub>2</sub> emission allowances. The emission conditions of the decarbonisation note stipulate that up to half of the European CO<sub>2</sub> emissions allowances acquired will be donated to a non-profit Climate Protection Foundation over a period of five years. This reduces the value of the decarbonisation notes as planned over this period. Under the control of the foundation's supervisory authority, the Climate Protection Foundation discontinues these donated emission allowances forever. In this way, emission allowances are effectively withdrawn from CO<sub>2</sub> emissions trading and emission reductions of the same amount are enforced. The non-donated portion of the CO<sub>2</sub> emission allowances remains in the decarbonisation note and is intended to offset the costs of discontinuation by increasing the price of CO<sub>2</sub> emission allowances over a period of five years. As a result of the constant shortage of European emission allowances, the Company expects the price of emission allowances to rise.

The weighting and consideration given to investment policy criteria may vary, and may lead to one or more criteria being completely disregarded or being given undue consideration. The criteria are neither exhaustive nor complete, meaning that other criteria may also be used that are not mentioned here, in particular to take account of future trends.

This 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 that has sustainable investments as its aim (Article 9). The investments underlying this Fund do not take into account the EU criteria for environmentally sustainable economic activities.

Principal adverse impacts (hereinafter "PAIs") on sustainability factors are taken into account in the investment process at company level. It is not binding for PAIs to be taken into account at fund level and they are therefore not considered. Information on the principal adverse impacts on sustainability factors is available as part of the Fund's annual report (annual reports from 01/01/2023).

Due to the planned investment strategy, the turnover rate in the Fund may vary greatly; for this reason it may result in variable transaction costs being charged to the Fund over time.

The Fund currency is the euro.

**No assurance can be given that the investment policy's objectives will be fulfilled. In particular, there is no guarantee that investors will get back all the assets they have invested in the Fund (see Section 7 "Risk information").**

## 12. Investment instruments in detail

The Company may purchase the assets specified in the "Investment principles and investment policy" section within the investment limits shown in the "Investment limits for transferable securities and money market instruments, including the use of derivatives and bank deposits" as well as "Investment units" below. Details of these assets and the applicable investment limits are set out below.

### Transferable securities

The Fund may consist entirely of transferable securities pursuant to § 5 of the General Terms and Conditions of Investment.

The Company may acquire transferable securities of domestic and foreign issuers on behalf of the Fund if they

1. are admitted to trading on a stock exchange or admitted to or included in another organised market in a Member State of the European Union ("EU") or another State party to the Agreement on the European Economic Area ("EEA");
2. are exclusively admitted to trading on a stock exchange in a state outside the EU or the EEA, or are admitted to trading or included in another organised market in one of these states, provided that BaFin has approved the choice of this stock exchange or organised market.

Recently issued transferable securities may be acquired if, in accordance with their terms of issue, an application must be made for admission to or inclusion in one of the stock exchanges or organised markets indicated in points 1 and 2 above, and the admission or inclusion is made within one year of issue.

The following shall also be considered to be "transferable securities" in this sense:

- Units in closed-end investment funds in a contractual or corporate form that are subject to control by the unitholder (corporate control); in other words, the unitholder must have voting rights relating to important decisions and the right to monitor the investment policy using appropriate mechanisms. The investment fund must also be managed by a legal entity that is subject to the regulations concerning investor protection, unless the investment fund is launched in the form of a company and the activity of the asset manager is not undertaken by another legal entity.
- Financial instruments collateralised by other assets or linked to the performance of other assets. If derivative components are embedded in such financial instruments, other requirements apply so that the Company may acquire these as transferable securities.

Transferable securities may only be acquired under the following conditions:

- The potential loss which may be suffered by the Fund may not exceed the purchase price of the transferable security. There must not be any obligation to provide additional funding.
- A lack of liquidity of the transferable security acquired by the Fund must not lead to the Fund becoming unable to fulfil the statutory requirements for the redemption of units. This applies while taking into account the statutory right to suspend the redemption of units in specific cases (see the sections entitled "Issue and redemption of units" and "Suspension of unit redemption").

- A reliable valuation of the transferable security using exact, reliable and regular prices must be available; these must either be market prices or have been made available by a valuation system independent from the transferable security's issuer.
- Adequate information concerning the transferable security must be available, either in the form of regular, accurate and comprehensive information on the transferable security's market or in the form of any associated securitised portfolio.
- The transferable security is tradable.
- The acquisition of the transferable security must be in accordance with the Fund's investment objectives and investment strategy.
- The risks of the transferable security are adequately addressed by the Fund's risk management.

In addition, transferable securities may be acquired in the following forms:

- Shares to which the Fund is entitled in the event of a capital increase from Company funds.
- Transferable securities purchased through the exercise of subscription rights held by the Fund.

Subscription rights may also be acquired for the Fund as transferable securities within this sense, provided that the transferable securities attributable to these subscription rights are included in the Fund.

## Money market instruments

Up to 75% of the Fund's value may be invested in money market instruments, subject to the provisions in § 6 of the General Terms and Conditions of Investment.

On behalf of the Fund, the Company may invest in money market instruments that are normally traded on the money market, as well as in interest-bearing transferable securities, which have

- a maturity or residual maturity not exceeding 397 days at the time of acquisition for the Fund;
- a maturity or residual maturity exceeding 397 days at the time of acquisition for the Fund, provided that pursuant to their terms of issue, their interest is regularly adjusted to market conditions at least once every 397 days; or
- a risk profile that corresponds to the one of transferable securities that fulfil the criterion for residual maturity or interest adjustment.

Money market instruments may be acquired for the Fund if they are

1. admitted to trading on a stock exchange or admitted to or included in another organised market in an EU Member State or another State party to the EEA Agreement;
2. exclusively admitted to trading on a stock exchange in a third country or another State party to the EEA Agreement, or are admitted or included in another organised market in one of these states, provided that the choice of stock exchange or organised market has been approved by BaFin.
3. issued or guaranteed by the EU, the Federal Republic of Germany, a German federal government fund, a German federal state, another EU Member State or another national, regional or local authority or the central bank of an EU Member State, the European Central Bank or the European Investment Bank, a third country or, if the country is a Federal State, by one of the members making

up the Federal State, or a public international body to which one or more EU Member States belong;

4. issued by an undertaking whose transferable securities are traded on the markets stated in points 1. and 2. above;
5. issued or guaranteed by a credit institution subject to prudential supervision, in accordance with criteria defined by EU law, or a credit institution that is subject to and complies with prudential rules considered by BaFin to be equal to those of EU law;
6. issued by other issuers, and the issuer in question is
  - (a) a company with equity capital amounting to at least EUR 10 million and which presents and publishes its annual accounts in accordance with the European Directive on annual accounts of companies with limited liability; or
  - (b) an entity which, within a group of companies which includes one or more listed companies, is dedicated to the financing of the group; or
  - (c) an entity which issues money market instruments which are backed by liabilities through the use of a banking line of credit. These are products where credit claims of banks are securitised (asset-backed securities).

All the aforementioned money market instruments may only be acquired if they are liquid and their value can be precisely determined at any time. Money market instruments are considered to be liquid if they can be sold within a sufficiently short period of time at a limited cost. It is important to note that the Company is obliged to redeem units in the Fund at the request of investors and dispose of such money market instruments at short notice accordingly. The money market instruments must in addition be subject to an exact, reliable assessment system which enables the determination of the net asset value of the money market instrument and is based on market data or valuation models (including systems based on amortised acquisition costs). The criterion of liquidity is deemed to be fulfilled by money market instruments, if these have been admitted for trade on an organised market within the EEA or are included in such a market, or if these have been admitted for trade on an organised market outside the EEA or are included in such a market, provided that this choice of market has been approved by BaFin. However, this does not apply if the Company is aware of circumstances indicating that the money market instrument may not be sufficiently liquid.

For money market instruments which are not listed on a stock exchange or admitted to trading on a regulated market (see points 3-6 above), the issue or issuer of those instruments must also be subject to regulations concerning deposit and investor protection. For instance, for these money market instruments there must be appropriate information available to enable an appropriate assessment of the credit risks associated with the instruments; the money market instruments must also be freely transferable. The credit risks may be assessed, for example, by means of an analysis of a credit assessment conducted by a rating agency.

These money market instruments are also subject to the following requirements, unless they have been issued or guaranteed by the European Central Bank or the central bank of an EU Member State:

- If they are issued or guaranteed by the following bodies (stated above in point 3):
  - the EU,

- the German federal government,
- a German federal government fund,
- a German federal state,
- another EU Member State,
- another national body,
- the European Investment Bank,
- a third country or, in the case of a federal state, by one of the members thereof,
- a public international body to which one or more Member States belong,

then adequate information must be available about the issue or issue programme or about the legal and financial situation of the issuer prior to the issue of the money market instrument.

- If they are issued or guaranteed by a credit institution subject to supervision in the EEA (see point 5 above), appropriate information must be available with regard to the issue or issuance programme or the issuer's legal and financial situation before the money market instrument is issued; such information must be updated on a regular

basis and whenever a significant event occurs. In addition, data (e.g. statistics) related to the issue or issuance programme must be available so that the credit risks associated with the investment can be properly assessed.

- If they are issued by a credit institution that is subject to prudential rules outside the EEA, which are considered by BaFin to be equivalent to those for a credit institution within the EEA, one of the following requirements must be met:
  - The credit institution maintains a registered office in a member state of the Organisation for Economic Co-operation and Development (hereinafter the "OECD") that is also part of the Group of Ten (G10, group of leading industrialised countries).
  - As a minimum, the credit institution has a rating that is deemed "investment grade". "Investment grade" refers to a rating of "BBB" or "BAA" or higher as part of the creditworthiness check by a rating agency.
  - A comprehensive analysis of the issuer may be used to demonstrate that the prudential rules applicable to the credit institution are at least as stringent as those under EU law.
- For other money market instruments not listed on a stock exchange or admitted to trading on a regulated market (see points 4 and 6 above as well as the others listed under point 3), appropriate information with regard to the issue or issuance programme, as well as the issuer's legal and financial situation, must be made available before the money market instrument is issued; a qualified third party that is independent of the issuer must update such information on a regular basis and whenever a significant event occurs. In addition, data (e.g. statistics) related to the issue or issuance programme must be available so that the credit risks associated with the investment can be properly assessed.

## Bank deposits

Up to 75% of the value of Fund may be invested in bank deposits.

The Company may only hold bank deposits with a maximum term of 12 months on behalf of the Fund.

These deposits are to be held in blocked accounts with credit institutions that have their registered office in an EU Member State or another State party to the EEA Agreement. They can also be held with credit institutions that have their registered office in a third country where the prudential rules are considered by BaFin to be equivalent to EU law.

## Investment limits for transferable securities and money market instruments, including the use of derivatives and bank deposits

### General investment limits

The Company may invest up to 10% of the Fund's value in transferable securities and money market instruments of the same issuer (borrower). The total value of the transferable securities and money market instruments from such issuers (borrowers) must not exceed 40% of the Fund. In addition, the Company may invest a maximum of 5% of the Fund's assets in transferable securities and money market instruments of the same issuer.

The Company may not invest more than 20% of the Fund's assets in bank deposits held by a single credit institution.

### Investment limit for bonds with special cover funds

The Company may invest up to 25% of the Fund's assets in mortgage bonds, public-sector bonds or bonds issued by a credit institution which has its registered office in an EU Member State or in another State that is party to the EEA Agreement. This is subject to the condition that the funds received with the bonds are invested so as to cover the liabilities of the bonds over their entire term and that they are primarily allocated to the payment of principal and interest in case of default of the bond issuer. If the Fund invests more than 5% of its assets in such bonds from a single issuer, the total value of such bonds must not exceed 80% of the value of the Fund.

### Investment limits for public issuers

The Company may invest up to 35% of the Fund's assets in bonds, borrower's note loans and money market instruments that are issued by specific national and supranational public issuers. These public issuers include the German federal government, German states, EU Member States and their local authorities, third countries, and supranational public bodies to which one or more Member States belong.

### Combination of investment limits

The Company shall not invest more than 20% of the Fund's value in a combination of the following assets:

- transferable securities or money market instruments issued by a single body;

- deposits with such a body, i.e. bank balances;
- attributable amounts for the counterparty risk of transactions entered into with that body in derivatives.

The relevant individual upper limits remain unaffected by this.

### **Investment limits from the use of derivatives**

The amounts of transferable securities and money market instruments of any individual issuer taken into account for the limits specified above may be reduced by the use of counter-market derivatives with transferable securities or money market instruments of this same issuer as their underlying assets. As a result, transferable securities or money market instruments of a single issuer may be purchased for the Fund in excess of said limits, provided the increased issuer risk is reduced by appropriate hedging transactions.

### **Other investment instruments and their investment limits**

The Company may invest up to 10% of the Fund's value in the following other investment instruments:

- Transferable securities that are not admitted to trading on a stock exchange or admitted to or included in another organised market, but meet the criteria for transferable securities. In derogation to traded or admitted transferable securities, a reliable assessment must be available for these transferable securities in the form of an assessment undertaken at regular intervals, which is derived from information from the issuer or from an expert financial analysis. Appropriate information on the unauthorised or non-included security must be available in the form of regular and precise information from the Fund or the associated portfolio must be available, if applicable.
- Money market instruments of issuers that do not meet the aforementioned requirements may be acquired only if they are liquid and their value can be exactly determined at all times. Money market instruments are considered liquid if they can be sold within a sufficiently short time at limited cost. In this, account must be taken of the Company's obligation to redeem units of the Fund upon request from investors, and to be able to sell such money market instruments within an appropriately short time in order to be able to fulfil this obligation. There must also be a precise and reliable valuation system that can determine the net assets value of money market instruments or is based on market data or valuation models, such as systems that extrapolate acquisition costs. The criterion of liquidity is deemed to be fulfilled by money market instruments, if these have been admitted for trade on an organised market within the EEA or are included in such a market, or if these have been admitted for trade on an organised market outside the EEA or are included in such a market, provided that this choice of market has been approved by BaFin.
- Recently issued shares, provided that according to their terms of issue:
  - their admission to listing on a stock exchange in an EU Member State or other EEA signatory state, or their admission to or inclusion on an organised market of an EU Member State or other EEA signatory state, is to be applied for in accordance with their terms of issue, or
  - their admission to listing on a stock exchange or admission to or inclusion on an organised market outside the EU or signatory states of the EEA Agreement is to be applied for in accordance with their terms of issue, provided that this choice of stock exchange or organised market has been approved by BaFin,

provided that the admission or inclusion takes place within one year of issue.

- Borrower's note loans which can be assigned at least twice after being purchased for the Fund and have been granted by one of the following bodies:
  - a) the German federal government, a German federal government investment fund, a German federal state, the EU or an OECD member country;
  - b) another domestic authority or regional government or local authority of another EU Member State or other State party to the EEA Agreement, provided that the claim may be treated as equivalent to a claim against the central state on whose territory the regional government or authority resides, pursuant to the Regulation on prudential requirements for credit institutions and investment firms;
  - c) other bodies or public law institutions established in Germany or another EU Member State or State party to the EEA Agreement;
  - d) companies, which have issued transferable securities that are admitted for trade on an organised market within the EEA, or that are admitted for trade on another regulated market that fulfils the material requirements for regulated markets as defined in the Markets in Financial Instruments Directive, as amended; or
  - e) other debtors, provided that one of the bodies referred to in (a)-(c) above has guaranteed the payment of interest and repayment of principal.

## Investment thresholds due to tax reasons

At least 25% of the value of the Fund's assets (the amount of the assets is determined according to the value of the assets of the investment fund as defined in section 1(2) of the InvStG, excluding liabilities) shall be invested in equity investments as defined in section 2(8) nos. 1, 3 and 4 of the InvStG that can be acquired for the Fund in accordance with these Terms of Investment (balanced funds as defined in section 2(7) of the InvStG). The actual equity investment ratios of target investment funds within the meaning of § 2(5), sentence 1 of the InvStG that may be acquired for the UCITS investment fund in accordance with these Terms and Conditions of Investment may be taken into account.

## Investment units

The value of the Fund's assets may be invested in units of target funds, provided that they are open-ended domestic and foreign investment funds.

The Company selects the target fund to be acquired either in accordance with said target fund's terms and conditions of investment or its investment focus, or its most recent annual or semi-annual report. It may acquire all permitted types of units in domestic investment funds and investment corporations with variable capital and units in EU UCITS and open-ended investment funds (which are not EU UCITS) managed by EU management companies or foreign management companies. The Company is not restricted in its selection with regard to the target fund's origin or location.

The target funds may invest a maximum of up to 10% in units of other open-end investment funds in accordance with their terms and conditions of investment. For AIF units, the following requirements must also be met:

- The target fund must have been approved in accordance with statutory rules subjecting it to effective prudential supervision for the protection of investors, and there must be adequate provision for ensuring cooperation between the supervisory authorities.
- The level of protection provided to investors must be equivalent to that enjoyed by an investor in a domestic UCITS, in particular with regard to the separation of the management and custody of assets, lending and borrowing, as well as the short-selling of transferable securities and money market instruments.
- The business operations of the target fund must be the subject of annual and semi-annual reports that permit investors to form an assessment of the assets and liabilities, as well as the income and operations, over the reporting period.
- The target fund must be a public fund for which there is no limit as to the number of units and the investors have a right to redeem said units.

No more than 20% of the Fund's value may be invested in units of a single target fund. No more than 30% of the Fund's overall assets may be invested in AIFs. The Company may not acquire on behalf of the Fund more than 25% of the units issued by a target fund.

Target funds may temporarily suspend the redemption of units within the statutory framework. In this case, the Company cannot return the units in the target fund to the Management Company or Custodian of the target fund in return for payment of the redemption price (see also the section entitled "Risk information – Risks associated with investing in investment units"). The Company's website (<https://www.acatis.de>) provides information as to whether and to what extent the Fund holds units of target funds that have currently suspended the redemption of units.

## Derivatives

**As part of its investment strategy, the Company may conduct derivative transactions on behalf of the Fund. In addition to using derivative transactions for hedging purposes, they may be used for effective portfolio management and generating additional income, i.e. also for speculative purposes. This may at least temporarily increase the Fund's risk of loss.**

A derivative is an instrument, the price of which depends on the price fluctuations or anticipated prices of other assets ("underlying"). The provisions below apply both to derivatives and to financial instruments with a derivative component (jointly referred to below as "derivatives").

The use of derivatives may not result in the Fund's market risk doubling ("market risk limit"). Market risk is the risk of loss resulting from fluctuations in the market value of assets held in the Fund due to changes in variable prices or rates in the market such as interest rates, exchange rates, equity prices and commodity prices or due to changes in the creditworthiness of an issuer. The Company must comply with the market risk limit at all times. It must determine the utilisation of the market risk limit on a daily basis in accordance with statutory requirements; these are derived from the regulation on risk management and risk measurement when using derivatives, securities lending transactions and

repurchase agreements in connection with investment funds in accordance with the KAGB (hereinafter "Derivatives Regulation").

To determine the utilisation of the market risk limit, the Company uses the qualified approach as defined in the Derivatives Regulation. To do so, the Company may compare the Fund's market risk with that of theoretical benchmark assets (which do not include derivatives) and limit the risk in proportion thereto. Derivative-free benchmark assets are a theoretical portfolio, the value of which is always equal to the current value of the Fund, but does not involve increasing or decreasing the market risk by using derivatives. The composition of the benchmark assets must also be in accordance with the Fund's investment objectives and investment policy. The derivative-free benchmark assets for the Fund consist mainly of equities of issuers domiciled in the eurozone and the United States of America.

**When using derivatives, the Fund's market risk amount must never be more than twice the market risk amount of the associated derivative-free benchmark assets.**

An absolute limit may also be imposed on the market risk. If this is done, the potential risk amount for the market risk to be assigned to an investment fund may never exceed 20% of the value of the investment fund. The decisive factors in this respect are a confidence level of 99% and a holding period of 20 working days. The holding period may be converted to one day using the square-root-of-time rule. In this case, there is no need to determine derivative-free benchmark assets.

The market risk of the Fund and, if applicable, of the derivative-free benchmark assets is determined with the aid of a suitable proprietary risk model (value-at-risk method). The Company uses historical simulation as the modelling method. The Company records the market price risks from all transactions. Using the risk model, it quantifies the change in value of the assets held in the Fund over time. The value-at-risk method indicates a limit expressed in monetary units for potential losses of a portfolio between two specified points in time. This change in value is determined by fortuitous events, i.e. future market price developments, and therefore cannot be predicted with certainty. The market risk to be determined can only be estimated with a sufficiently high probability in each case.

Provided that it has an appropriate risk management system, the Company may invest in any derivatives for the account of the Fund. These derivatives must be based either on assets the Fund is allowed to acquire or on the following underlying instruments:

- Interest rates
- Exchange rates
- Currencies
- Financial indices that are sufficiently diversified, provide an adequate benchmark for the market to which they refer and are published in an appropriate manner.

In particular, this includes options, financial futures and swaps, and combinations thereof.

## **Futures contracts**

Futures contracts are unconditionally binding on both, requiring them to buy or sell a specific quantity of a certain underlying at an agreed price on a specific date (due date) or within a determined time frame. Within the scope of the investment principles, the Company may enter into futures contracts

on behalf of the Fund on all assets that the Fund may acquire and that may serve as underlying instruments for derivatives in accordance with the Terms and Conditions of Investment.

## Option transactions

Option transactions grant a third party the right against payment (option premium) to request delivery or purchase of assets or the payment of a differential amount or to also acquire the corresponding option rights at a predetermined price (exercise price) during or at the end of a certain period of time. The Company may trade in options on behalf of the Fund within the scope of the investment principles.

## Swaps

Swaps are agreements exchanging the underlying payment flows or risks between the contracting parties. The Company may, on behalf of the Fund and in accordance with the investment principles, enter into

- interest rate swaps
- currency swaps
- interest and currency swaps
- variance swaps
- equity swaps
- credit default swaps.

## Swaptions

Swaptions are options on swaps. A swaption is the right, but not the obligation, to enter into a swap, the conditions of which are clearly specified, at a given time or within a given period. Moreover, the principles listed in connection with option contracts apply. On behalf of the Fund, the Company may only conclude swaptions that are composed of the options and swaps described above.

## Credit default swaps

Credit default swaps are credit derivatives which enable a potential credit default volume to be passed on to third parties. The seller of the risk pays a premium to its counterparty in return for taking on the credit default risk. The specifications for swaps shall also apply accordingly.

## Total return swaps

The Company may invest in total return swaps on behalf of the Fund. Total return swaps are derivatives in which all income and fluctuations in value of an underlying are exchanged for an agreed fixed interest payment. One contracting party, the collateral buyer, transfers the entire credit and market risk from the underlying to the other contracting party, the collateral provider. In exchange, the collateral buyer pays a premium to the collateral provider.

Total return swaps can be used for the Fund in order to hedge against price losses and risks from the underlying asset. All Fund assets deemed permissible under § 197 KAGB can be the object of a total return swap. The Company does not, however, currently intend to invest in total return swaps for the Fund.

## **Securitised financial instruments**

The Company may also buy the financial instruments described above if they have been securitised. However, transactions with underlying financial instruments may be only partially included in securities (e.g. warrant bonds). The statements concerning risks and opportunities apply to such securitised financial instruments accordingly, provided the risk of loss of such securitised financial instruments is limited to the value of the transferable security.

## **OTC derivative transactions**

The Company may, on behalf of the Fund, enter into derivative transactions that are admitted to trading on a stock exchange or admitted to or included in another organised market, as well as OTC transactions. The Company may enter into derivatives transactions neither admitted for trading on a stock exchange nor included in another organised market only with suitable credit institutions or financial services providers within standardised framework agreements. In the case of OTC traded derivatives, the counterparty risk associated with a counterparty must not exceed 5% of the Fund's value. If the contracting party is a credit institution with its registered office in an EU Member State, another state that is party to the Agreement on the EEA or a third country with a comparable level of supervision, the counterparty risk may be up to 10 % of the value of the Fund. Derivatives traded over the counter, which are concluded with a central clearing house of a stock exchange or another organised market as party to the contract, shall not be considered in the counterparty limits, provided the derivatives are subject to daily valuation at market prices with daily margin settlement. However, any claims the Fund may have against an intermediary must be included when determining the limits, even if the derivatives involved are traded on a stock exchange or another organised market.

## **Collateral strategy**

The Company accepts collateral for the account of the Fund within the scope of derivative transactions. The collateral serves to wholly or partly eliminate the risk of the counterparty defaulting in these transactions.

### **Permitted types of collateral**

The Company accepts the following assets as collateral for derivative transactions:

- Bank deposits
- Transferable securities
- Money market instruments

## **Scope of collateral provided**

Derivative transactions must be sufficiently collateralised to ensure that the attributable amount of the relevant counterparty's default risk does not exceed 5% of the Fund's assets. If the counterparty is a credit institution which has its registered office in an EU Member State or in another State that is party to the EEA Agreement or in a third country in which equivalent prudential rules apply, the attributable value of the default risk may be up to 10% of the Fund's assets.

## **Valuation discount strategy (haircut strategy)**

The Company pursues a haircut strategy to apply certain valuation discounts to the assets accepted as collateral. It includes all assets that are eligible as collateral.

## **Investment of cash collateral**

Cash collateral in the form of bank deposits may be held in blocked accounts with the Fund's custodian or, with its consent, with another credit institution. It may only be reinvested in high-quality government bonds or in money market funds with short maturity structures.

## **Custody of securities as collateral**

The Company may accept securities as collateral for the account of the Fund within the scope of derivative transactions. If these securities have been transferred as collateral, they must be held in custody by the Custodian. The securities may not be reused.

## **Borrowing**

Taking out short-term loans for the joint account of investors is permitted for up to 10% of the Fund's assets, provided that the terms of the loan are in line with the market and the Custodian agrees to the loan.

## **Leverage**

Leverage denotes any method used by the Company to increase the investment rate of the Fund. Such methods include borrowing and the acquisition of derivatives with embedded leveraged financing. The Company may use these methods for the Fund to the extent described in this Sales Prospectus. For the rules on using derivatives, see "Derivatives" under the section entitled "Investment instruments in detail". The borrowing option is explained in the preceding paragraph.

The use of derivatives must not more than double the market risk (see the "Derivatives" sub-section in Section 12 "Investment instruments in detail"). The Company expects that the Fund's leverage arising from the use of derivatives will always be less than 3.

Leverage is calculated by dividing the Fund's total exposure by its net asset value. To calculate the total exposure, the net asset value of the Fund is added up to all nominal amounts of the derivative transactions used in the Fund. However, depending on market conditions, the leverage may fluctuate; as a result, the targeted level may be exceeded, despite ongoing monitoring by the Company. The Company may use derivatives for various purposes, such as hedging or optimising returns. However, the

calculation of the total exposure does not distinguish between the different objectives of the use of derivatives. For this reason, the total nominal values do not indicate the potential risks involved for the Fund.

### **Exception: Investments made in the absence of the Investment Advisor**

If the Investment Advisor is no longer available to give investment advice to the Fund (see rights of termination and their impacts under Section 6 "Investment Advisor"), the Company may terminate management of the Fund subject to a statutory notice period of six months. The Company shall not continue to pursue the investment policy described in Section 11 "Investment objective, investment principles and investment policy" until the end of the notice period. Instead, it shall invest the Fund's assets exclusively – provided this is permitted by the terms and conditions of investment – in bank deposits and money market instruments.

## **13. Valuation**

### **General rules for the valuation of assets**

#### **Assets admitted to a stock exchange or traded on an organised market**

Assets that are admitted to trading on a stock exchange or admitted to or included in another organised market, as well as subscription rights for the Fund, are valued at their most recently available tradable price which provides a reliable valuation, unless the "Specific rules for the valuation of individual assets" below specify otherwise.

#### **Assets not listed on a stock exchange or traded on organised markets, or those with no tradable price**

Assets that are neither admitted to trading on stock exchanges nor admitted to or included in another organised market or for which no tradable price is available, are valued at the current market value that is deemed appropriate on the basis of a careful assessment using suitable valuation models and taking current market conditions into account, unless the "Specific rules for the valuation of individual assets" below specify otherwise.

### **Specific rules for the valuation of individual assets**

#### **Non-listed debt obligations and loan notes**

Bonds neither admitted to trading on a stock exchange nor admitted to or included in another organised market (e.g. unlisted bonds, commercial papers and certificates of deposit) and borrower's note loans are valued on the basis of prices agreed for comparable bonds and borrower's note loans and, if applicable, the market value of bonds issued by comparable issuers with similar terms and interest rates, at a discount (if necessary) to offset the reduced saleability.

**Option rights and futures contracts**

Option rights of the Fund and the liabilities resulting from option rights granted to a third party, which are admitted to trading on a stock exchange or admitted to trading or included in another organised market, are valued at their last available trading price that provides a reliable valuation.

This also applies to claims and liabilities from futures contracts sold on behalf of the Fund. Margins charged to the Fund are added to the value of the Fund, taking into consideration the valuation gains and losses determined on the trading day.

**Bank deposits, fixed-term deposits and units in investment funds**

Cash deposits are, as a rule, valued at their face value plus accrued interest.

Fixed-term deposits are valued at the market value if the fixed-term deposit are callable at any time and that their repayment on termination is not at the nominal amount plus interest.

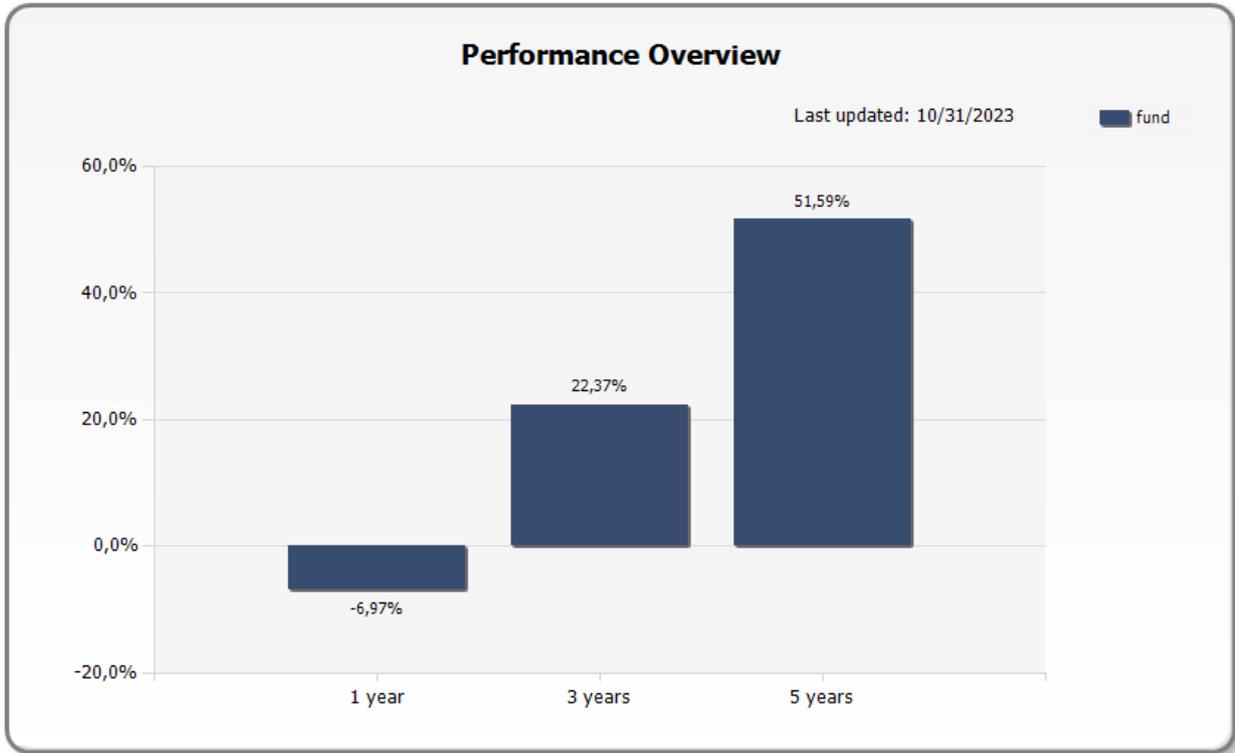
Units in investment funds (target funds) are generally valued at their latest redemption price or at their latest available trading price that allows a reliable valuation. If these values are not available, the investment fund units are valued at the current market price deemed appropriate in line with careful estimates based on suitable valuation models giving consideration to current market conditions.

**Assets denominated in a foreign currency**

Assets denominated in foreign currency are translated into euro at the exchange rate determined on the basis of The WM Company fixing at 17:00 (CET) the same day.

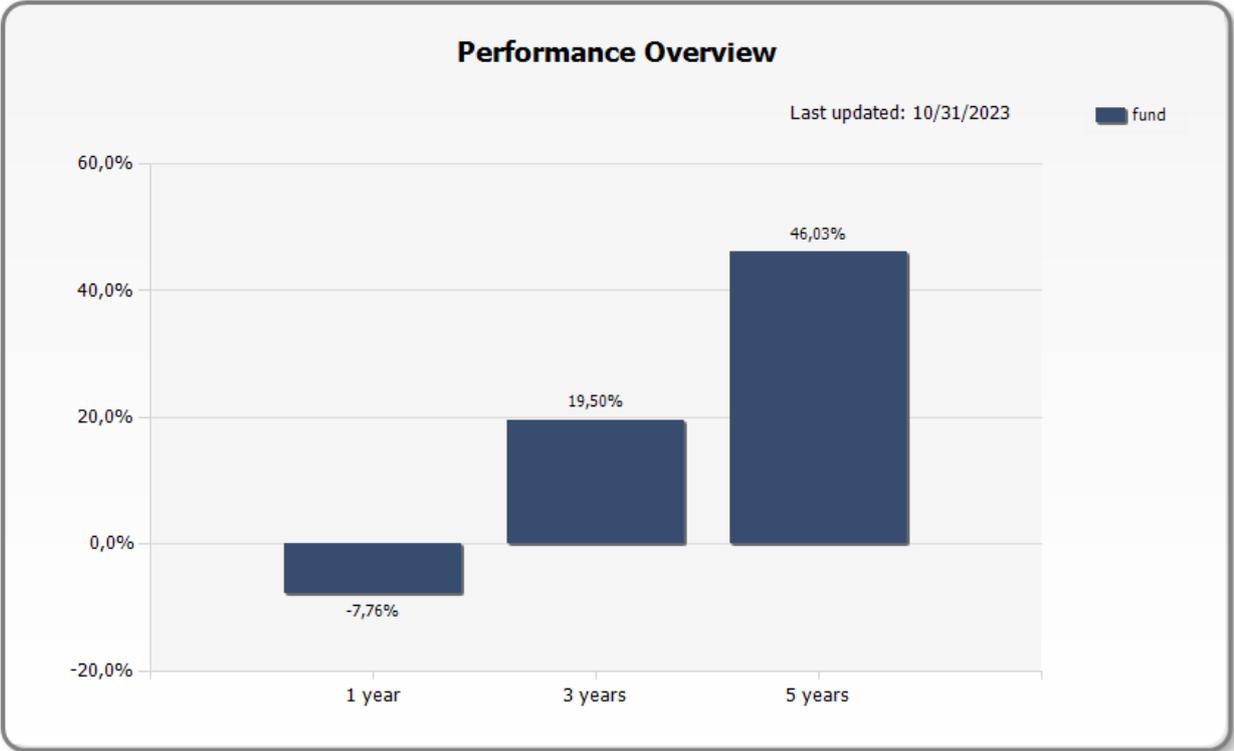
## 14. Performance

### Unit class A

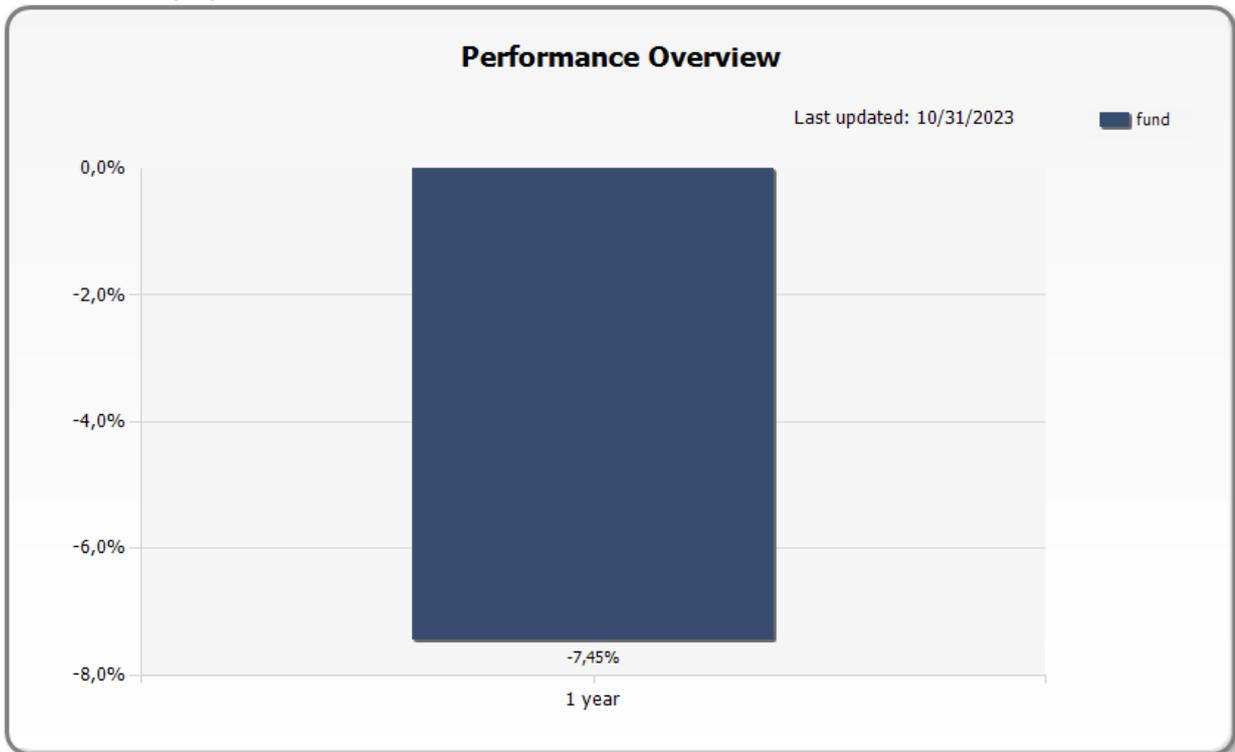


Performance using the BVI method (excluding issuing surcharges). Past performance is no guarantee of similar results in the future. These are not possible to predict. Current performance details are published in the annual and semi-annual reports and on the Company's website (<https://www.acatis.de>).

Unit class B



Performance using the BVI method (excluding issuing surcharges). Past performance is no guarantee of similar results in the future. These are not possible to predict. Current performance details are published in the annual and semi-annual reports and on the Company's website (<https://www.acatis.de>).

**Unit class X (TF)**

Performance using the BVI method (excluding issuing surcharges). Past performance is no guarantee of similar results in the future. These are not possible to predict. Current performance details are published in the annual and semi-annual reports and on the Company's website (<https://www.acatis.de>).

As always, historic performance is not indicative of future results.

## 15. Sub-investment funds

The Fund is not a sub-investment fund of an umbrella fund.

## 16. Units

Investors' rights are securitised solely in global certificates when the Fund is launched. These global certificates are held in custody by a central securities depository. Investors are not entitled to the physical delivery of unit certificates. The purchase of units is only possible via custodianship. The unit certificates are made out to the bearer. When a unit certificate is transferred, the rights conferred therewith are also transferred.

## Issue and redemption of units

### Issue of units

In principle, there is no limit to the number of units that may be issued. The units may be acquired from the custodian. They are issued by the custodian at the issue price, which corresponds to the net asset value per unit ("unit value"), plus an issuing surcharge. Units may also be acquired via third parties, which may incur additional costs. The Company reserves the right to temporarily suspend or permanently discontinue the issue of units.

**If minimum investment amounts are specified for individual unit classes, these can be found in Section C "Overview of the unit classes".**

### Redemption of units

Investors may request the redemption of units on any valuation date regardless of the minimum investment amount, unless the Company has temporarily suspended the redemption of units (see "Suspension of unit redemption"). Redemption orders must be placed with the Custodian or the Company. The Company is obliged to redeem the units at the redemption price applicable on the settlement date, which corresponds to the unit value determined for that day – less a redemption fee, if applicable. The redemption may also be carried out via third parties, which may involve additional costs.

### Settlement of unit issue and redemption

The Company complies with the principle of equal treatment of investors by ensuring that no investor can gain advantages by buying or selling units at unit values that are already known. A daily order acceptance deadline has therefore been set. The settlement of issue and redemption orders received by the custodian or the Company by the order acceptance deadline is carried out at the latest on the valuation day following receipt of the order (=settlement day) at the unit value then determined. Orders received by the Custodian or Company after the cut-off time will be settled on the valuation date following order receipt (= settlement date) at their unit value determined on that date. Details of the cut-off time for this Fund are available from the Custodian. It is subject to change at any time.

In addition, third parties – e.g. the custodian bank – may act as intermediaries for the issue or redemption of units. This may result in longer settlement periods. The Company has no influence on the different settlement procedures of custodian banks.

### Suspension of unit redemption

The Company may temporarily suspend the redemption of units in the event of extraordinary circumstances which appear to require such suspension in the interests of the investors. Such extraordinary circumstances could include instances in which a stock exchange, on which a significant part of the Fund's transferable securities are traded, is closed unexpectedly, or circumstances in which assets cannot be disposed of or the Fund's assets cannot be valued. Moreover, BaFin may instruct the Company to suspend the redemption of units if this is deemed necessary in the interests of the investors or the public.

The Company reserves the right to redeem or exchange units at the redemption price that is valid at the time only after promptly disposing of assets held by the Fund, provided that the interests of all investors are safeguarded. A temporary suspension may be followed directly by a liquidation of the investment fund without the redemption of units being resumed (see the "Liquidation, transfer and merger of the Fund" section).

The Company shall notify investors that it is suspending and resuming the redemption of units by publishing notices in the German Federal Gazette and also on the Company's website (<https://www.acatis.de>). Investors shall also be informed by the agent maintaining their securities account via a durable medium, i.e. a hard copy or in electronic form.

The Company does not allow market timing or other trading strategies aimed at short-term profits. If the Company has reason to believe that such short-term trading strategies are being used for speculative purposes, it reserves the right to reject applications to subscribe or redeem units in the Fund.

### **Exchange of units**

It is not possible to exchange units between the individual unit classes. Should the Company liquidate a unit class, it is not obliged to offer investors units in another unit class (details concerning the liquidation of a unit class can be found under in the section entitled "Liquidation, transfer and merger of the Fund").

### **Liquidity management**

The Company has established written policies and procedures for the Fund that enable it to monitor the Fund's liquidity risks and to ensure that the liquidity profile of the Fund's investments covers the underlying liabilities of the Fund.

Subject to the investment strategy described in Section 11 "Investment objective, investment principles and investment policy", the Fund's liquidity profile is as follows:

- The Fund aims to invest in assets which, in the opinion of the Company at the time of this Sales Prospectus going to print, can be almost fully liquidated within a week.
- The Company shall monitor liquidity risks that may arise at Fund level, at asset level or as a result of increased redemption orders from investors, in the manner described below:
  - The Company must implement a liquidity management system during the course of its business activities for each fund and ensure that investment strategies, liquidity profiles and redemption principles are consistent.
  - The Company's liquidity management system is available in a reasonably documented form, revised at least once a year and updated if necessary.
  - The implemented liquidity management system ensures, as a general rule, that the liquidity level of a given fund covers its underlying liabilities, with the relative liquidity of its assets being valued, inter alia, on the basis of the duration and price at which assets are disposed of.
  - The liquidity level of each fund is also monitored in terms of its key obligations and liabilities as well as the marginal contribution of each individual asset. To this end, the Company considers (inter alia) the profile of the Fund's investor base, the type of investors, the relative size of

investments in the Fund and their redemption terms and conditions. If the Fund's assets are invested in other undertakings for collective investment, the approach to liquidity management followed by the asset managers of said other undertakings for collective investment is monitored and checks are regularly made to see if the redemption terms and conditions have been changed.

- The Company employs reasonable liquidity measurement precautions and procedures in order to determine the quantitative and qualitative risks of the Fund's individual assets. It does so based on reasonable knowledge and experience with regard to the liquidity of individual assets as well as with regard to the related trading volume, price sensitivity and spreads under normal and extraordinary liquidity conditions.
- As part of its liquidity management, the Company ensures that the processes and instruments necessary for managing liquidity risks are implemented. It does so by identifying the normal and extraordinary circumstances under which these instruments and precautionary measures may be used, with all investors being treated equally. The Company has appropriate escalation processes in place to manage current and potential liquidity problems or other emergency situations within the Fund.
- The Company sets individual liquidity limits, taking into account the nature, scope and complexity of each individual managed fund. These limits, which are continuously monitored, reflect the underlying liabilities and redemption principles; reasonable steps are taken to improve the liquidity situation if they are or may be exceeded. When setting these limits, the Company considers the liquidity management guidelines, the appropriateness of the liquidity profile of the Fund's assets, and the impact of atypical redemption requests. Periodic fluctuations are possible.
- The Company conducts regular stress tests with which it can assess the Fund's liquidity risks. The Company conducts stress tests based on current reliable quantitative or, if this is inadequate, qualitative information available. These may include investment strategies, redemption periods, payment obligations and deadlines within which assets may be disposed of, as well as information regarding general investor behaviour and market developments. The stress tests simulate a situation of a lack of liquidity of assets in the Fund, as well as atypical redemption requests. These are performed with a frequency appropriate for the Fund (at least once a year) and take into consideration the Fund's investment strategy, liquidity profile, investor structure and redemption rules.

Redemption rights under normal and extraordinary circumstances and the suspension of redemption are set out under "Issue and redemption of units" and "Suspension of unit redemption" in Section 16 "Units". The risks involved are explained in Section 7 "Risk information", subsections "Fund investment risks" ("Suspension of unit redemption" and "Risks of limited or increased liquidity of the Fund (liquidity risk)").

## Stock exchanges and markets

Fund units are not admitted to trading on stock exchanges by the Company. However, the Company has noted that Fund units are being traded on the following markets:

- Hamburg stock exchange ("Fondsbörse Deutschland" segment).

The possibility cannot be ruled out that Fund units may also be traded on other markets.

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

## **Fair treatment of investors and unit classes**

The Fund consists of different unit classes. Units with different characteristics are issued. Units with the same characteristics form a unit class.

The unit classes may differ in terms of the use of income, the issuing surcharge, the currency of the unit value, including use of currency hedging transactions, the management fee, the custodian fee, remuneration for managing derivative transactions and securities for derivative transactions, the Distributor, the minimum investment amount or a combination of these characteristics. Unit classes are listed individually in the Sales Prospectus and in the annual and semi-annual reports. The defining characteristics of the unit classes are described in detail in the Sales Prospectus and the annual and semi-annual reports. For details of the ways in which the unit classes of the Fund may differ, see Section 16 "Units", subsections "Issue and redemption of units" and "Issue and redemption prices", Section 17 "Management fees and other costs" and Section 19 "Calculation and use of income; financial year".

**An overview of the unit classes and their individual issue dates can be found in Part C "Overview of the unit classes".**

Due to the different characteristics, the financial results achieved by investors by investing in the Fund may vary depending on the unit class of the units acquired. This applies to both pre-tax and post-tax returns achieved by the investor.

The unit value is calculated separately for each unit class by attributing the costs and fees (including any taxes to be paid out of the Fund's assets) that apply to a given unit class, including any income equalisation, exclusively to that unit class.

Assets may only be acquired for the Fund as a whole, not for individual unit classes or groups of unit classes.

Pursuant to § 4(1) of the Special Terms and Conditions of Investment, other unit classes may be created. The Company may, at its discretion, launch new unit classes in the future. However, the rights of investors who have acquired units in existing unit classes shall not be affected. The costs associated with launching a new unit class may only be charged to the investors of the new unit class.

The Company must treat investors in the Fund in a fair manner. When managing liquidity risks and the redemption of units, it may not put the interests of any particular investor or group of investors ahead of those of any other investor or group of investors.

For details on how the Company ensures the fair treatment of investors, see "Settlement of unit issue and redemption" and "Liquidity management" above.

## Issue and redemption prices

To calculate the issue and redemption prices for the units, the Company shall on each valuation date – under the supervision of the Custodian – calculate the value of the assets held by the Fund less its liabilities (“net asset value”). The value of each unit (“unit value”) is calculated by dividing the net asset value thus obtained by the number of units issued.

The value of the Fund units will be calculated on all trading days. The Company and Custodian are not required to determine the value on statutory public holidays which are trading days within the scope of the KAGB or on 24 or 31 December of each year. At present, unit prices are not calculated on New Year's Day, Good Friday, Easter Sunday, Easter Monday, May Day, Ascension Day, Whit Sunday, Whit Monday, Corpus Christi, the Day of German Unity, Christmas Eve, Christmas Day, 26 December and New Year holidays.

The value of a unit class shall be calculated when the units are first issued on the basis of the value determined for the entire Fund, pursuant to § 168(1)(1) KAGB.

The value of a unit class is derived from the total change in the Fund's net value proportionally attributable for that unit class compared with the preceding valuation date and the value of that unit class on the preceding valuation date. The value of a unit class shall be determined every trading day, except on the days stated above. The value of a unit in a unit class is equal to the value of the unit class divided by the number of units issued for said unit class.

The income equalisation shall be calculated for each unit class.

### Suspension of the calculation of the issue and redemption price

The Company may temporarily suspend the calculation of the issue and redemption prices under the same conditions as the redemption of units. These are explained in more detail under “Suspension of unit redemption” in Section 16 “Units”.

### Issuing surcharge

When setting the issue price, an issuing surcharge is added to the unit price. The issuing surcharge equals 6.00% of the unit value. The Company may charge a reduced issuing surcharge, or not charge one at all, for the Fund or one or more unit classes. The surcharge can reduce or even completely erode performance gains, particularly in the case of short-term investments. It is essentially payment for distributing the Fund's units. The Company can pass the issue surcharge on in consideration for distribution charges to any intermediaries.

**The current issuing surcharge for the individual unit classes is detailed in Part C "Overview of the unit classes".**

### Redemption fee

No redemption fee is charged.

## Publication of issue and redemption prices

The issue and redemption prices are published on each trading day on the Company's website (<https://www.acatis.de>).

## 17. Costs

### Costs relating to the issue and redemption of units

Units may be issued and redeemed via the Company and the Custodian at the issue price (unit value plus issuing surcharge) or the redemption price (unit value) without any additional costs.

If units are redeemed via third parties, costs may be incurred. If units are sold via third parties, costs higher than the issuing price may also be charged.

### Management fees and other costs

Fees to which the Company is entitled from the UCITS investment fund:

In return for managing the UCITS investment fund, the Company receives a fee (payable quarterly) of up to 1.90% p.a. of the average net asset value of the UCITS investment fund during the accounting period, which is calculated by taking the values on each valuation date. The Company may charge a reduced fee, or not charge one at all, for the UCITS investment fund or one or more unit classes. The Company shall specify the management fee for each unit class in the Sales Prospectus and the annual and semi-annual reports.

The fees to be paid out of the UCITS investment fund to third parties are as follows:

The Company may call upon the services of an investment advisory or asset management company when implementing its investment strategy. The remuneration of the investment advisory or asset management company shall be covered by the management fee.

The Company may call upon the services of third parties for the purposes of or when managing derivatives transactions and collateral for said transactions. In this case, these third parties jointly receive a fee (payable quarterly) amounting to up to a quarter of 0.10% p.a. of the UCITS investment fund's average net asset value during the accounting period, which is calculated by taking the values on each valuation date. The Company may charge a reduced fee, or not charge one at all, for the UCITS investment fund or one or more unit classes. These fees are not covered by the management fee; as a result, the Company charges them to the UCITS investment fund. The Company shall specify the fees paid to third parties for each unit class in the Sales Prospectus and the annual and semi-annual reports.

In return for performing its duties, the Custodian receives a fee (payable quarterly) of up to 0.10% p.a. of the average net asset value of the UCITS investment fund during the accounting period, which is calculated by taking the values on each valuation date. The Custodian may charge a reduced fee, or not charge one at all, for the UCITS investment fund or for one or more unit classes. The Company shall specify the custodian fee for each unit class in the Sales Prospectus and the annual and semi-annual reports.

The amount taken out of the Fund per year in management fees, custodian fees and costs for the provision of analysis materials and services by third parties can be up to a total of 2.25% p.a. of the UCITS investment fund's average net asset value during the accounting period, which is calculated by taking the values on each valuation date.

**An overview of the fees currently charged for each unit class can be found in Part C “Overview of the unit classes”.**

In addition to the fees due to the Company and Custodian, the following expenses will also be charged to the Fund:

- standard custodian and account fees, including any standard bank costs for the custody of foreign assets abroad;
- costs of printing and dispatching statutory sales documentation intended for investors (annual and semi-annual reports, Sales Prospectus, Key Information Document);
- costs of publishing the annual and semi-annual reports, the issue and redemption prices and, if applicable, the distributions or reinvestments and the liquidation report;
- costs of setting up and using a durable medium, except in the case of information concerning fund mergers and measures in connection with investment limit infringements or calculation errors when ascertaining the unit value;
- costs of the auditing of the UCITS investment fund by the statutory auditor;
- costs of publishing the bases for taxation and certifying that the tax information has been drawn up pursuant to German tax regulations;
- costs incurred by the Company for asserting and enforcing legal claims on behalf of the UCITS investment fund, as well as for defending claims raised against the Company at the cost of the UCITS investment fund;
- fees and costs charged by public authorities in relation to the UCITS investment fund;
- costs of legal and tax advice with regard to the UCITS investment fund;
- costs of appointing proxies;
- costs of third parties analysing the performance of the UCITS investment fund;
- 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 0.15% p.a. of the UCITS investment fund's average value, which is calculated by taking the values on each valuation date;
- taxes incurred in connection with the fees payable to the Company, Custodian and third parties as well as in connection with the aforementioned expenses, including taxes arising in connection with management and custody activities.

In addition to the above-mentioned fees and expenses, costs arising in connection with the acquisition and disposal of assets will be charged to the Fund.

For the above-mentioned expenditures, the following explanations can be given regarding the amounts to be charged to the Fund:

- The statutory auditor's remuneration for auditing the fund consists of a basic fee and other surcharges, which depend in particular on the number of segments and unit classes of the Fund and its fund volume; the maximum amount of this fee is EUR 40,000 plus VAT. The actual costs may be lower or higher. The amount specified is therefore an estimate.
- The costs of publishing the bases for taxation and certifying that the tax information has been drawn up pursuant to German tax regulations amount to EUR 1,500 per financial year of the Fund.
- In cases in which a court or out-of-court settlement was reached or a ruling was made by a court within the framework of class actions, the appointed law firm may receive a fee of up to 5% of the sums obtained for the Fund in this respect. Different conditions may apply or be agreed upon for active participation in a class action as a leading plaintiff, for private suits, or for other court or administrative proceedings. In these cases, the appointed law firm may receive up to 30 % of the sums that are recovered.
- BaFin may charge fees or costs (which are borne by the Fund) for approving the Fund's Terms and Conditions of Investment, approving the Custodian, amending the Terms and Conditions of Investment as well as for other administrative acts related to the Fund. The amounts of these fees or costs can be found in the Regulation governing the apportionment of costs pursuant to the Financial Services Supervision Act [FinDAGKostV], as amended. The applicable version of this regulation is available on BaFin's website ([www.bafin.de](http://www.bafin.de)). For distributing the Fund abroad, the Company estimates costs for government agencies of up to EUR 20,000 per financial year of the Fund. The costs during this period may actually be lower or higher. The amount specified is therefore an estimate.
- The fee for appointing a proxy for the holding of General Meetings amounts to EUR 300 per General Meeting. If the General Meeting is held for several investment funds, a pro rata calculation for the Fund is carried out. The number of general meetings to be held by the proxy for the Fund depends on the latest composition of the portfolio in each case. No maximum amount is established or estimated beforehand.
- The amount of the costs incurred in the context of the acquisition and disposal of assets depends on the number of transactions actually conducted. For the period of one Fund financial year, the Company assumes a maximum amount of 2 % of the Fund's average volume. The transaction costs during this period may actually be lower or higher. The aforementioned percentage is therefore an estimate.
- With regard to the other expenses mentioned above, only those that were actually incurred are charged to the Fund. Since the amount of these expenses depends, inter alia, on the size of the Fund, the portfolio composition and the number of investors in the Fund, no maximum amount for these expenses is established or estimated in advance.

The Company normally passes some of its management fee on to intermediaries in consideration for distribution services. This may also involve significant portions. The Custodian and investment advisory or asset management company may use some of the fees they receive to support the distribution activities of intermediaries; said fees are usually based on the level of mediation involved.

The Company, Custodian and investment advisor or asset management company may, at their discretion, make arrangements with individual investors regarding the partial repayment to these investors of fees received. This applies in particular if institutional investors invest large amounts directly and on a long-term basis.

The Company may use non-cash benefits in connection with transactions conducted on behalf of the Fund (broker research, financial analyses, market and price information systems), which are used when making investment decisions in the interests of the unitholders. The Company does not receive any refunds from fees and expenses paid from the Fund to the Custodian and third parties. For further information, please refer to the relevant annual reports.

### **Details and costs with regard to the acquisition of investment units**

In addition to its fee for managing the Fund, the Company also charges a management fee for units in investment funds (target funds) held in the Fund.

If the Fund invests a considerable proportion of its value in investment units, all management fees are taken into account when calculating the total expense ratio (see below).

Investors should also bear in mind that the Fund may be charged issuing surcharges or redemption fees on the purchase of other investment units, which will be charged to the Fund. In addition to these costs, the fees, costs, taxes, commissions and other expenses incurred by the respective target fund in relation to investment units in which the Fund invests are to be borne indirectly by the Fund's investors. The Fund may also invest in investment units that have a different fee structure (e.g. flat fee, performance fee) or for which additional types of fees may be charged.

If a target fund is directly or indirectly managed by the Company or another company with which the Company is affiliated through a significant direct or indirect shareholding, the Company or the other company may not charge the Fund any issuing surcharges or redemption fees for the purchase or redemption of investment units in the target funds.

The issuing surcharges and redemption fees charged to the Fund for the acquisition and redemption of units in other investment funds shall be stated in the annual and semi-annual reports. In addition, the fee that has been charged to the Fund (in the form of a management fee for the units held therein) by a domestic or foreign capital management company or a capital management company associated with the Company by way of a unitholding will be published.

### **Total expense ratio**

Management costs charged to the Fund shall be published in the annual report and shown as a proportion of the Fund's average volume ("total expense ratio"). This comprises the fee for managing the Fund, the custodian fee and expenses which may be additionally charged to the Fund (see above). This does not include any ancillary costs and costs incurred in acquiring and disposing of assets (transaction costs). The total expense ratio is published in the Key Information Document as "current costs".

### **Differing cost statement from distributors**

If the investor is advised by a third party when purchasing units or it mediates the purchase for the investor, said investor will be shown the costs or cost ratios that are not congruent with the cost information in this Sales Prospectus and in the Key Information Document and that may exceed the total expense ratio described here. The main reason for this may be that the third party also takes into account the costs of their own activity (e.g. mediating, consulting or portfolio management). It also takes into account one-time costs such as issuing surcharges and generally uses other calculation methods or estimates for the costs incurred at fund level that mainly include the transaction costs of the Fund.

Deviations in the cost statement may result from information before the conclusion of the agreement and regular cost information relating to the existing fund investment as part of a long-term customer relationship.

## **18. Remuneration policy**

The Company is subject to the prudential requirements that are applicable to capital management companies as regards the structuring of its remuneration system. The Company has detailed the characteristics in a remuneration policy that aims to ensure a sustainable remuneration system that avoids misplaced incentives to take excessive risks.

The Company's remuneration system is examined at least once a year by the Company's remuneration committee for its suitability and compliance with all statutory provisions. The incentives structure for ACATIS employees is synchronised with the interests of ACATIS customers.

Management and employee remuneration consists of a fixed salary, plus variable remuneration components that are agreed with employees on an annual basis. As motivational components, variable remuneration makes a key contribution towards achieving the company's objectives. There are two remuneration groups:

All investment fund managers receive a share of performance-based remuneration generated by ACATIS from asset management activities (including funds). Payment is made shortly after the end of the fiscal year, establishing a direct link with the successful results which ACATIS customers have achieved with the company. The bonus can be zero, or it can be several multiples of an annual salary. There is no upper limit on the figure.

Sales employees receive a share of the increase in inventory-based income. Generated by ACATIS from asset management activities (including funds). The basis for assessing employees is largely identical; specific entitlements result from length of time at the company and, if present, region-specific factors. The bonus can be zero, or it can be several multiples of an annual salary.

Managers are covered by this variable remuneration arrangement. Their salary corresponds to the payment conditions typical of the market and the institute's location.

In certain cases, employees from other departments can be paid a suitable performance-related bonus.

Further details concerning the Company's current remuneration policy are published on the website (<https://www.acatis.de>).

## **19. Calculation and use of income; financial year**

The Fund may generate income from interest, dividends and income on investment units accrued during the financial year and not used to cover costs. Other income may result from the disposal of assets held for the account of the Fund.

### **Income equalisation procedure**

The Company applies an "income equalisation procedure" for the Fund. This means that pro rata returns incurred during the financial year, which the buyer of units must pay via the issue price and which the seller of units receives via the redemption price, are continuously offset. The expenses incurred are included when income equalisation is calculated.

The income equalisation procedure is applied to balance fluctuations in the relationship between returns and other assets which have arisen due to net inflows or outflows following the sale or the redemption of units. Otherwise, every net inflow of liquid assets would reduce the return portion of the asset value of the Fund while every outflow would increase it.

The result of the income equalisation procedure is that, in the case of accumulating unit classes, the income per unit reported in the annual report is not affected by the number of units in circulation and, in the case of distributing unit classes, the distribution amount per unit is not affected by the unpredictable performance of the Fund or the number of units in circulation. It is thus accepted that investors who, for example, acquire units shortly before the distribution date will get back the part of the issue price relating to income in the form of a distribution, even though their paid-in capital did not contribute to generating the income.

### **Use of income**

For distributing unit classes, the Company shall in principle distribute to investors the interest, dividends and income which have accrued to the Fund from investment units during the financial year and which have not been used to cover costs – provided that they are attributable to these unit classes – and it shall do so within four months after the financial year end, taking the relevant income equalisation into account. Realised capital gains – taking the relevant income equalisation into account – may also be distributed on a pro rata basis.

Interim distributions are permissible.

If the units are held by the Custodian in a securities account, its branches will credit distributions free of charge. Additional costs may be incurred if the securities account is maintained with another bank or savings bank.

For accumulating unit classes, the income attributable to such unit classes is not distributed. Instead, it is reinvested in the Fund.

**Information concerning the use of income for each unit class can be found in Section C "Overview of unit classes".**

## **Financial year**

The Fund's financial year begins on 01 November and ends on 31 October of the following year.

## **20. Liquidation, transfer and merger of the Fund**

### **Conditions for the liquidation of the Fund**

Investors are not entitled to demand that the Fund be liquidated. The Company may terminate its right to manage the Fund subject to at least six months' notice via publication in the German Federal Gazette, as well as in the annual or semi-annual report. Investors shall also be informed of this termination by the agent maintaining their securities account via a durable medium, i.e. a hard copy or in electronic form. On the date when the termination takes effect, the right of the Company to manage the Fund shall expire.

Moreover, the right of the Company to manage the Fund ceases if insolvency proceedings are opened against the Company's assets or following a court order rejecting the opening of insolvency proceedings due to insufficiency of assets.

When the Company loses its authority to manage, the right to dispose of the Fund shall pass to the Custodian, who shall liquidate the Fund and distribute the proceeds to investors or – subject to BaFin approval – transfer the management to another capital management company.

### **Procedure for liquidation of the Fund**

When the right to dispose of the Fund passes to the Custodian, the issue and redemption of units will cease and the Fund will be liquidated.

The proceeds from the sale of the Fund's assets, less any costs that are still to be borne by the Fund and the costs resulting from the liquidation procedure, shall be distributed to investors, who shall be entitled to receive payment of the liquidation proceeds in proportion to their number of units held in the Fund.

The Company shall issue a liquidation report on the day on which its right of management expires, which shall comply with the requirements applicable to the annual report. The liquidation report shall be published in the German Federal Gazette no later than three months after the relevant date of liquidation of the Investment Fund. Whilst the custodian is winding up the Fund, it shall issue reports annually, as well as on the day on which the winding up process is completed, which shall comply with the requirements applicable to the annual report. These reports shall likewise be published in the German Federal Gazette no later than three months after the relevant date.

## **Transfer of the Fund**

The Company may transfer the right to manage and dispose of the Fund to another management company. The transfer is subject to prior approval by BaFin. The approved transfer is disclosed in the German Federal Gazette and also in the annual and semi-annual report of the Fund. Investors shall also be informed of the planned transfer by the agent maintaining their securities account via a durable medium, i.e. a hard copy or in electronic form. The time at which the transfer becomes effective is determined based on the contractual agreements between the Company and the absorbing management company. However, the transfer may only become effective three months after being disclosed in the German Federal Gazette. All rights and duties of the Company in relation to the Fund are then transferred to the absorbing management company.

## **Conditions for merger of the Fund**

All the assets of this Fund may – subject to BaFin approval – be transferred to another investment fund, be it existing or newly created by the merger, which must meet the requirements for a UCITS and be established in Germany or another EU Member State or EEA member country. All of the Fund's assets may be transferred to a domestic investment corporation with variable capital, be it existing or newly created by the merger.

Such transfer shall take effect from the end of the financial year of the Fund (transfer date), unless another transfer date is determined.

## **Rights of investors upon merger of the Fund**

Investors have up to five working days before the planned transfer date to either redeem their units without further costs (except for the costs deducted to cover the liquidation costs) or to exchange their units for those in another open-end public investment fund that is also managed by the Company or a company in the same group and which has a similar investment policy to the Fund.

Prior to the planned transfer date, the Company must inform the investors in the Fund of the reasons for the merger, the potential effects for the investors, their rights in relation to the merger and key procedural aspects via a durable medium such as in hard copy or electronic form. Investors shall also receive the Key Information Document for the investment fund to which the Fund's assets will be transferred. Investors must receive the above information at least 30 days before the deadline for redemption or conversion of their units.

On the transfer date, the net asset values of the Fund and the absorbing investment fund shall be calculated, the exchange ratio determined and the entire exchange process audited by the statutory auditor. The conversion ratio will be based on the ratio of the net asset values of each unit in the Fund and in the absorbing investment fund at the time of transfer. Investors shall receive a number of units in the absorbing investment fund which corresponds to the value of their units in the Fund.

Investors who do not exercise their right of redemption or conversion will become investors of the absorbing investment fund with effect from the date of transfer. Where appropriate, the Company may also agree with the management company of the absorbing investment fund that the investors of the Fund will receive payment in cash for up to 10% of the value of their units. The Fund will cease to exist upon transfer of all of its assets. If the transfer is made during the current financial year of the

Fund, the Company must draw up a report on the transfer date that meets the requirements for an annual report.

The Company shall give notice in the German Federal Gazette and in the electronic information media specified in this Sales Prospectus if the Fund has been merged with another investment fund also managed by the Company and the merger has taken effect. If the Fund is to be merged with another investment fund that is not managed by the Company, the company managing the absorbing or newly established investment fund will be responsible for announcing that the merger has taken effect.

## 21. Summary of tax regulations

These statements concerning tax regulations apply only to investors who are subject to unlimited tax liability in Germany. Investors who have unlimited tax liability are hereinafter referred to as "German tax residents". We recommend that foreign investors consult their tax advisors prior to acquiring units in the Fund described in the Sales Prospectus in order to discuss any possible tax implications in their country of residence arising from the acquisition of units. Foreign investors are investors who do not have unlimited tax liability. They are hereinafter referred to as "non-residents for tax purposes".

The statements shown here relate to the legal situation that has existed since 01 January 2018. If Fund units were purchased prior to 1 January 2018, there may be other specific points relating to the fund investment which have not been described in more detail here.

### Presentation of the legal situation as from 1 January 2018

As a special-purpose fund, the Fund is generally exempt from corporation and trade tax. However, it is partially liable to corporation tax with its domestic investment income and other domestic income in accordance with the limited income tax liability, with the exception of gains from the sale of shares in corporations. The tax rate is 15%. If the taxable income is collected by way of capital gains tax deduction, the 15% tax rate already includes the solidarity surcharge.

However, investment income is subject to income tax for private investors as income from capital assets if, together with other investment income, it exceeds the currently applicable savings allowance<sup>2</sup>.

Income from capital assets is generally subject to a tax deduction of 25% (plus the solidarity surcharge and, as applicable, church tax). Income from capital assets also includes income from investment funds (investment income), i.e. the Fund's distributions, advance lump sums and gains from the sale of units. Under certain circumstances, investors may receive a flat-rate share of these investment returns on a tax-free basis ("partial exemption").

In principle, for private investors, the tax deduction acts as a final payment ("flat-rate withholding tax") so, as a rule, income from capital assets does not need to be declared in the income tax return. When deducting the tax, the institution maintaining the securities account will generally already have offset losses as well as foreign withholding taxes resulting from the direct investment.

<sup>2</sup> Since 2009, the savings allowance has been EUR 801 for individual assessment, and EUR 1,602 for joint assessment.

However, the tax deduction may have no settlement effect if the personal tax rate is below the settlement rate of 25%. In such cases, income from capital assets may be declared in the income tax return. The tax authorities then apply the lower personal rate of tax and offset the aforementioned tax deduction against the personal tax liability ("favourable tax treatment").

Capital income not subjected to tax deduction (e. g. profits from the sale of Fund units made in a foreign securities account) must be specified in the tax return. As part of the assessment, income from capital assets is also subject to the withholding tax rate of 25% or the personal tax rate, whichever is lower.

If units are held as business assets, the income is considered taxable as operating income.

## **Units held as personal assets (German tax residents)**

### **Distributions**

Distributions of the Fund are generally taxable.

However, the Fund meets the taxation-related requirements for a balanced fund, so 15% of distributions are tax-free.

The taxable distributions are generally subject to the tax deduction of 25% (plus the solidarity surcharge and church tax if applicable).

The tax deduction need not be applied if the investor is a resident for tax purposes and presents an exemption order, provided that the taxable income elements do not exceed the<sup>3</sup> currently applicable saver's flat-rate annual allowance.

This also applies when providing a certificate for persons that are not expected to be subject to income tax (non-assessment certificate).

If a domestic investor keeps units in a domestic securities account, the institution maintaining the securities account (as the paying agent) will not deduct tax if, before the date set for distribution, it receives an exemption order for a sufficient amount and issued in accordance with the official template or a non-assessment certificate issued by the tax authorities for a maximum period of three years. In this case, the investor will be credited for the full amount of the distribution.

### **Advance lump sums**

The advance lump sum is the amount by which the Fund's distributions in a calendar year fall short of the basic income for that calendar year. The basic income is calculated by multiplying the redemption price of the unit at the beginning of a calendar year by 70% of the basic interest rate, which is derived from the potential long-term return from public bonds. The basic income is limited to the additional amount arising between the first and the last redemption price fixed in the calendar year plus the

<sup>3</sup> Since 2009, the saver's flat-rate annual allowance has been EUR 801 for single persons or for spouses assessed separately, and EUR 1,602 for spouses assessed jointly.

distributions within the calendar year. The advance lump sum is reduced by one twelfth for each full month that precedes the month of the acquisition in the year that the units are acquired. The advance lump sum is deemed to have been accrued on the first working day of the following calendar year.

Advance lump sums are generally taxable.

However, the Fund fulfils the taxation-related requirements for a balanced fund, so 15% of advance lump sums are tax-free.

The taxable advance lump sums are generally subject to the tax deduction of 25% (plus the solidarity surcharge and church tax, where applicable).

The tax deduction need not be applied if the investor is a resident for tax purposes and presents an exemption order, provided that the taxable income elements do not exceed the<sup>4</sup> currently applicable saver's flat-rate annual allowance.

This also applies when providing a certificate for persons that are not expected to be subject to income tax (non-assessment certificate).

If a domestic investor keeps units in a domestic securities account, the institution maintaining the securities account (as the paying agent) will not deduct tax if, before the time of accrual, it receives an exemption order for a sufficient amount and issued in accordance with the official template or a non-assessment certificate issued by the tax authorities for a maximum period of three years. No tax is levied in this case. Otherwise, the investor must make the amount of tax to be paid available to the domestic institution maintaining the securities account. The institution maintaining the securities account may recover the amount of tax payable from an account that is held with it and registered in the name of the investor, without the investor's consent. Provided that the investor does not object to this prior to receipt of the advance lump sum, the institution maintaining the securities account may also recover the amount of the tax that has to be deducted from an account held in the name of the investor to the extent that an overdraft facility agreed with the investor for this account has not been used. If the investor does not meet its obligation to provide the amount of tax to be paid to the domestic institution maintaining the securities account, said institution must notify the competent tax office of such. In this case, the advance lump sum must be declared to this extent in the investor's income tax return.

### **Capital gains at investor level**

If units are sold in the Fund after 31 December 2017, the capital gain will be subject to the withholding tax rate of 25%. This applies both to units that were acquired before 1 January 2018 and those deemed to be sold on 31 December 2017 and repurchased on 1 January 2018 and to units acquired after 31 December 2017.

However, the Fund fulfils the taxation-related requirements for a balanced fund, so 15% of capital gains are tax-free.

<sup>4</sup> Since 2009, the saver's flat-rate annual allowance has been EUR 801 for single persons or for spouses assessed separately, and EUR 1,602 for spouses assessed jointly.

In the case of profits from the sale of units that were acquired before 1 January 2018 and are deemed to be sold on 31 December 2017 and repurchased on 1 January 2018, it is important to note that the profits from the fictitious sale on 31 December 2017 are also taxed at the time of the actual sale if the units were actually acquired after 31 December 2008. Changes in the value of units acquired before 1 January 2009 which occurred between the acquisition date and 31 December 2017 are tax-free.

If the units are held in a domestic securities account, the institution maintaining the securities account will apply the tax deduction taking into account any partial exemptions. The 25% tax deduction (plus solidarity surcharge and, where applicable, church tax) may be waived following submission of a sufficient exemption order or non-assessment certificate. If such units are sold at a loss by a private investor, the loss – reduced as applicable on the basis of a partial exemption – may be offset against other positive income from capital assets. If the units are held in a domestic securities account and positive income was generated from capital assets held with the same institution which maintains the securities account in the same calendar year, said institution will offset the losses.

If the fund units acquired before 1 January 2009 are sold after 31 December 2017, the profit that is generated after 31 December 2017 is generally tax-free for private investors up to an amount of EUR 100,000. This allowance may only be used if these profits are declared to the tax office responsible for the investor.

When calculating the capital gain, the profit must be reduced by the advance lump sums used during the ownership period.

## **Units held as business assets (residents for tax purposes)**

### **Refund of the Fund's corporation tax**

Corporation tax which has been incurred at Fund level may be reimbursed to the Fund for transfer to an investor if the investor concerned is a domestic corporation or an association of individuals or a pool of assets that is solely and directly used for charitable, benevolent or religious purposes according to the Articles of Association, the foundation deed or other constitution and according to its actual form of management, or if the investor is a foundation under public law that is used solely and directly for charitable or benevolent purposes, or if it is a legal person under public law which is solely and directly used for religious purposes; this does not apply if the units are held in a commercial business. The same applies to comparable foreign investors with a head office and company management in a foreign country which provides administrative and recovery assistance.

The prerequisite for this is that such an investor submits a corresponding application and that the corporation tax which has accrued is attributable pro rata to their holding period. Furthermore, the investor must have been the legal and beneficial owner of the units for at least three months before the inflow of the Fund's income subject to corporation tax, without there being an obligation to transfer the units to another person. In terms of the corporation tax incurred by the Fund on German dividends and income from German equity-like participation rights, the refund also essentially requires German shares and German equity-like participation rights to have been continuously held by the Fund as a beneficial owner for 45 days within a period of 45 days before and after the date on which the capital gains are due, and for there to have continuously been minimum value change risks of 70% during those 45 days (i.e. "45-day rule").

Proof of tax exemption and proof of the investment unit inventory issued by the institution maintaining the securities account must be enclosed with the application. The proof of the investment unit inventory is an official certificate of the scope of units held by the investor throughout the calendar year and the date and scope of the purchase and sale of units during the calendar year.

Corporation tax which has been incurred at Fund level may likewise be reimbursed to the Fund for transfer to an investor, provided that the units in the Fund are held on the basis of retirement or basic pension plans certified under the Altersvorsorgeverträge-Zertifizierungsgesetz (Pension Policies Certification Act). This presupposes that the provider of a retirement or pension plan advises the Fund within one month after its financial year-end of the dates on which units were acquired or sold, and the respective amounts involved. The aforementioned 45-day rule must also be taken into account.

The Fund or Company is not obliged to have the relevant corporation tax reimbursed to it for onward transfer to the investor.

It would be wise to get advice from a tax advisor due to the significant complexity of the regulation.

## **Distributions**

Distributions of the Fund are generally subject to income tax, corporation tax and trade tax.

However, the Fund meets the tax requirements for a balanced fund, which means that 30% of the distributions are tax-free for income tax purposes and 15% for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporations, 40% of the distributions are generally tax-free for corporation tax purposes and 20% for trade tax purposes. 15% of distributions are tax free with regard to corporation tax and 7.5% are tax free with regard to trade tax for the following: corporations that are life insurance or healthcare insurance companies and for which the units are attributable to the capital investments, corporations that are credit institutions for which the units are attributable to the trading book or were acquired with the intention to generate short-term profits from own-account trading.

The distributions are generally subject to the tax deduction of 25% (plus the solidarity surcharge).

As the Fund fulfils the taxation-related requirements for a balanced fund, the partial exemption of 15% is taken into account during the deduction of tax.

## **Advance lump sums**

The advance lump sum is the amount by which the Fund's distributions in a calendar year fall short of the basic income for that calendar year. The basic income is calculated by multiplying the redemption price of the unit at the beginning of a calendar year by 70% of the basic interest rate, which is derived from the potential long-term return from public bonds. The basic income is limited to the additional amount arising between the first and the last redemption price fixed in the calendar year plus the distributions within the calendar year. The advance lump sum is reduced by one twelfth for each full month that precedes the month of the acquisition in the year that the units are acquired. The advance lump sum is deemed to have been accrued on the first working day of the following calendar year.

Advance lump sums are generally subject to income tax, corporation tax and trade tax.

However, the Fund fulfils the taxation-related requirements for a balanced fund, therefore 30% of advance lump sums are tax-free with regard to income tax and 15% are tax-free with regard to trade tax if the units are held by natural persons as business assets. For tax-liable corporations, 40% of advance lump sums are generally tax-free with regard to corporation tax and 20% are tax-free with regard to trade tax. 15 % of advance lump sums are tax free with regard to corporation tax and 7.5 % are tax free with regard to trade tax for the following: corporations that are life insurance or healthcare insurance companies and for which the units are attributable to the capital investments, corporations that are credit institutions for which the units are attributable to the trading book or were acquired with the intention to generate short-term profits from own-account trading.

The advance lump sums are generally subject to the tax deduction of 25% (plus the solidarity surcharge).

As the Fund fulfils the taxation-related requirements for a balanced fund, the partial exemption of 15% is taken into account during the deduction of tax.

### **Capital gains at investor level**

Profits from the sale of units are generally subject to income or corporation tax and trade tax. When calculating the capital gain, the profit must be reduced by the advance lump sums used during the ownership period.

However, the Fund meets the tax requirements for a balanced fund, which means that 30% of the capital gains are tax-free for income tax purposes and 15% for trade tax purposes, if the units are held by natural persons as business assets. For taxable corporations, 40 % of the capital gains are generally tax-free for corporation tax purposes and 20 % for trade tax purposes. 15 % of capital gains are tax free with regard to corporation tax and 7.5 % are tax free with regard to trade tax for the following: corporations that are life insurance or healthcare insurance companies and for which the units are attributable to the capital investments, corporations that are credit institutions for which the units are attributable to the trading book or were acquired with the intention to generate short-term profits from own-account trading. If there is a loss on the sale, the loss in the amount of the partial exemption to be applied at investor level cannot be deducted.

In the case of profits from the sale of units that were acquired before 1 January 2018 and which are deemed to be have been sold as at 31 December 2017 and repurchased on 1 January 2018, it is important to note that the profits from the notional sale on 31 December 2017 must also be taxed at the time of the actual sale. No partial exemption applies to these profits from the notional sale.

The profit from the notional sale must be determined separately for units that are attributable to an investor's business assets.

The profits from the sale of units are generally not subject to a capital gains tax deduction.

### **Negative taxable income**

It is not possible to attribute negative taxable income to the investor.

## Settlement taxation

Distributions are only deemed as income if they include the increase in value of a calendar year during the settlement of the Fund.

### Summary overview for the taxation of common corporate investor groups

	Distributions	Advance lump sums	Capital gains
<b>Domestic investors</b>			
Sole trader	<u>Capital gains tax:</u> 25 % (the partial exemption of 30 % for equity funds or 15 % for balanced funds is taken into account)		<u>Capital gains tax:</u> Not applicable
	<u>Material taxation:</u> Income tax and trade tax, taking partial exemptions into account where applicable (equity fund 60 % for income tax / 30 % for trade tax; mixed fund 30 % for income tax / 15 % for trade tax)		
Regulatory taxed corporations (typically industrial companies; banks if units are not held in the trading portfolio; property insurer)	<u>Capital gains tax:</u> Not applicable for banks, otherwise 25% (the partial exemption of 30% for equity funds or 15% for balanced funds is taken into account)		<u>Capital gains tax:</u> Not applicable
	<u>Material taxation:</u> Corporation tax and trade tax taking into account any partial exemptions (equity funds 80% for corporation tax / 40% for trade tax; mixed funds 40% for corporation tax / 20% for trade tax)		
Life and health insurance companies and pension funds in which the fund units are attributable to the capital investments	<u>Capital gains tax:</u> Not applicable		
	<u>Material taxation:</u> Corporation tax and trade tax, provided that a provision for contribution refunds is not established in terms of the commercial balance sheet that must also be recognised for tax purposes taking into account partial exemptions (equity funds 30% for corporation tax / 15% for trade tax; mixed funds 15% for corporation tax / 7.5% for trade tax)		
Banks which hold fund units in the trading portfolio	<u>Capital gains tax:</u> Not applicable		
	<u>Material taxation:</u> Corporation tax and trade tax taking into account any partial exemptions (equity funds 30% for corporation tax / 15% for trade tax; mixed funds 15 % for corporation tax / 7.5% for trade tax)		
Tax-exempt charitable, benevolent or church investors (in particular, churches and charitable foundations)	<u>Capital gains tax:</u> Not applicable		
	<u>Material taxation:</u> Tax-free – in addition, the corporation tax incurred at Fund level can be reimbursed upon request		
Other tax-exempt investors (in particular pension funds, death benefit funds and provident funds, provided that they meet the conditions set out in the Körperschaftsteuergesetz (German Corporation Tax Law))	<u>Capital gains tax:</u> Not applicable		
	<u>Material taxation:</u> Tax-free		

A domestic form of custody is assumed here. A solidarity surcharge will be levied against the capital gains tax, income tax and corporation tax as an additional levy. It may be necessary to submit certificates to the institution maintaining the securities account on time in order to avoid the deduction of capital gains tax.

**Non-residents for tax purposes**

If a non-resident for tax purposes holds Fund units in a securities account with a domestic institution that maintains securities accounts, no withholding tax will be deducted from distributions, advance lump sums and profits from the sale of units if they provide proof of their non-resident status. Should the institution maintaining the securities account not be informed about of the investor's status as a non-resident or if such evidence is not provided in a timely manner, the foreign investor must apply for reimbursement of the deducted tax pursuant to the German Fiscal Code<sup>5</sup> [Abgabenordnung — AO]. The competent tax authority is responsible for the institution maintaining the securities account.

**Solidarity surcharge**

A solidarity surcharge of 5.5% shall be levied on the tax deduction that is to be paid on distributions, advance lump sums and profits from the sale of units.

**Church tax**

If income tax is already levied via the tax withheld by a domestic securities agent (withholding agent), the church tax payable on this is regularly levied as a surcharge to the tax withheld in accordance with the church tax rate for the religious community to which the person subject to church tax belongs. The deductibility of church tax as a special expense is recognised as reducing the tax to be withheld.

**Foreign withholding tax**

Withholding tax on the Fund's foreign income is, in some cases, levied in the country of origin. This withholding tax may not be used to reduce taxes for the investors.

**Implications of the merger of investment funds**

The merger of a German investment fund with another German investment fund subject to the same partial exemption rate does not result in the disclosure of hidden reserves either at investor level or at the level of the investment funds concerned; in other words, this process is tax-neutral. If the investors in the absorbed investment fund receive a cash payment as envisaged by the merger plan,<sup>6</sup> this will be treated in the same manner as a distribution.

If the applicable partial exemption rate of the absorbed investment fund differs from that of the absorbing investment fund, investment units in the absorbed investment fund are deemed to have been sold and investment units in the absorbing investment fund are deemed to have been purchased. The profit resulting from the notional sale is only deemed to have accrued once investment units in the absorbing investment fund are actually sold.

<sup>5</sup> § 37(2) AO.

<sup>6</sup> Sec. 190(2), point 2 KAGB.

## **Automatic exchange of information on tax matters**

The importance of the automatic exchange of information in relation to combating cross-border tax fraud and cross-border tax evasion has increased significantly at international level over the last few years. Accordingly, the OECD has, among other things, published a global standard for the automatic exchange of information relating to financial accounts with regard to tax matters (Common Reporting Standard, hereinafter: "CRS"). At the end of 2014 the CRS was incorporated, together with Council Directive 2014/107/EU of 9 December 2014, into Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. The participating countries (all EU Member States and a number of third countries) now utilise the CRS. Germany transposed the CRS into German law by means of the Finanzkonten-Informationsaustauschgesetz (Financial Accounts Information Exchange Act) of 21 December 2015.

The CRS obliges reporting financial institutions (essentially banks) to obtain specific information concerning their customers. If the customers (natural persons or legal entities) are reportable persons resident in other participating countries (this does not include, e.g., listed stock corporations or financial institutions), their accounts and securities accounts will be classified as reportable accounts. The reporting financial institutions will then send specific information for each reportable account to their home tax authority. This authority then sends the information to the customer's home tax authority.

The information to be conveyed is essentially the personal details of the reportable customer (name; address; tax identification number; date of birth and place of birth (for natural persons); country of residence) and information on the accounts and securities accounts (e.g. account number, account balance or account value; total gross amount of income such as interest, dividends or distributions from investment funds); total gross proceeds from the sale or redemption of financial assets (including fund units)).

Reportable investors who hold an account and/or securities account with a credit institution that is resident in a participating country are specifically affected as a result. German credit institutions will therefore report information on investors who are resident in other participating countries to the Federal Central Tax Office who forward the information to the relevant tax authorities of the investors' countries of residence. Credit institutions in other participating countries will report information on investors to their home tax authority who forward the information to the Federal Central Tax Office. It is ultimately conceivable that credit institutions resident in other participating countries will report information on investors that are in turn resident in other participating countries to their home tax authority who forward the information to the tax authorities of the investors' countries of residence.

### **General notice**

The tax information is based on the currently known legal position. It is intended for persons in Germany who are subject to unrestricted income or corporation tax. However, no assurance can be given that this tax treatment will not change as a result of legislation, case law or decrees issued by the tax authorities.

## 22. Outsourcing

The Company has assigned the following tasks to other companies:

- Operation of IT systems (information technology and computer systems)
- Internal audit
- Fund administration services to Universal-Investment-Gesellschaft mbH with effect from 19 September 2018

## 23. Conflicts of interest

The following conflicts of interest may arise in the management of the Fund.

The interests of investors could conflict with the following interests:

- the interests of the Company, other companies in the same group as the Company, the Company's management and/or staff, external companies and persons to whom the Company is contractually bound, and other third parties  
and
- the interests of the investment funds managed by the Company, and insourcing mandates, investors and customers of the Company  
or
- the interests of other investors and customers of the Company  
or
- the interests of investors and the investment funds managed by the Company  
or
- the interests of the various investment funds managed by the Company.

Circumstances or relationships that could give rise to conflicts of interest include in particular the following:

- Incentive schemes for directors or employees of the Company, other companies within the Company's group or external companies contractually entrusted with services to facilitate collective portfolio management
- Personal transactions involving assets held in the fund managed by the Company by directors or employees of the Company or directors or employees of companies that have been contractually entrusted by the Company with services to facilitate collective portfolio management
- Transactions between the Company and the investment funds or individual portfolios managed by the Company or transactions between investment funds and/or individual portfolios managed by the Company
- Aggregation of orders (block trades).
- "Frequent trading"

- Setting the cut-off time
- IPO allocations
- Transfer of one or more functions to another company
- Exercise of voting rights in respect of the shares held in the Fund
- Duties of the custodian
- The interests of investors who wish to redeem their investments and investors who wish to maintain their investments in the Fund
- The objective of the investment management to invest in illiquid assets and the redemption principles of the Fund.

The Company may receive non-cash benefits in connection with transactions conducted on behalf of the Fund (broker research, financial analyses, market and price information systems), which are used when making investment decisions in the interests of investors.

The Company does not receive any refunds from fees and expenses paid from the Fund to the custodian and third parties.

The Company pays intermediaries, such as credit institutions, recurring – generally annual – brokerage fees ("trail commissions").

If investment funds brokered by the Company, which may be investment funds managed by the Company in particular, are acquired in the Fund, the Company may receive a fee for its brokerage services.

The Company takes the following organisational measures to address, detect, prevent, control, monitor and disclose conflicts of interest:

- Setting up a remuneration system that does not provide any incentive to place personal interests above those of the investment funds managed by the Company or of investors and customers
- Investment advisor and asset management partners are contractually bound to avoid conflicts of interest
- Rules on personal transactions, which are continuously monitored by the Compliance department, and a blacklist which prohibits personal transactions involving certain assets in order to counter potential conflicts of interest
- Rules on disclosing and dealing with accepting and granting donations
- Continuous monitoring of the transaction frequency within investment funds managed by the Company, in order to prevent said investment funds from being redeployed to the detriment of investors
- Implementing measures to prevent boosting fund performance near cut-off dates (window dressing) in investment funds managed by the Company
- Not engaging in transactions on its own account with investment funds managed by the Company or individual portfolios, and conducting transactions between different investment funds managed by the Company merely to achieve better trading results, without adversely affecting any of the investment funds involved
- Multiple orders (block trades) are combined on the basis of a uniform allocation principle

- Investors shall be notified when closely affiliated companies or persons (particularly shareholders) are appointed to act as, for example, asset managers, advisors, brokers or the Custodian
- Taking internal measures to monitor the adverse market impact on the Fund as a result of major individual investments
- Prohibiting managing directors and employees of the Company from engaging in frequent trading by establishing rules on personal transactions and monitoring the investment funds managed by the Company
- Agreeing cut-off times with custodians to counteract speculation against the investment funds managed by the Company
- Standardised internal allocation principles for IPO allocations
- Delegating one or more functions to other companies so as to broaden the range of services provided by the Company
- Voting rights within the Fund's portfolio are exercised on the basis of recommendations of a neutral external investment advisory company in accordance with the analysis guidelines of BVI Bundesverband Investment und Asset Management e.V.
- The Fund's custodian acts independently of the Company and is contractually bound to act exclusively in the interests of investors
- The interests of investors who wish to recover their investments and those who wish to keep investing in the Fund are taken into account during internal liquidity management
- The same applies with regard to conflicts between defining objectives when managing investments, investing in illiquid assets and the redemption principles of the Fund.

## **24. Annual/semi-annual reports, auditor, service providers**

The annual and semi-annual reports are available from the Company, the Custodian and the Distributor.

The task of auditing the Fund and the annual reports has been entrusted to KPMG AG Wirtschaftsprüfungsgesellschaft, Frankfurt/Main. The auditor audits the annual reports of the Fund. When conducting its audits, the auditor shall also verify whether the Fund has complied with the provisions under the KAGB and the Terms and Conditions of Investment. The auditor shall summarise its findings in a special note, the full text of which shall be included in the annual report. The auditor is required to submit the audit report of the Fund to BaFin on request.

Undertakings to which the Company has outsourced duties are listed under Section 22 "Outsourcing". The Company has also appointed the following service providers:

- Investment Advisor: ACATIS Investment Kapitalverwaltungsgesellschaft mbH, Walzenhausen branch / Switzerland, Gütli 166, CH-9428 Walzenhausen.
- The Company will use the support of external service providers to exercise the voting rights from the shares belonging to the Fund from 1 January 2020. For this task, the Company has appointed ISS Institutional Shareholder Services Europe S.A., Brussels (Belgium). ISS gives the Company recommendations for voting behaviour on the basis of analyses of the general meeting documents, taking into account the Company's voting rights guidelines. It assumes responsibility for exercising

voting rights and is obligated to report on voting behaviour. The Company's regulatory obligations and its civil liability towards the Fund's investors remain unaffected. Appointing service providers does not establish legal relationships between said providers and investors in the Fund.

Appointing the relevant service providers does not establish legal relationships between them and the investors in the Fund.

## **25. Payments to unitholders; circulation of reports and other information**

The appointment of the Custodian ensures that investors receive the dividends due to them and that units can be redeemed. The information for investors mentioned in this Sales Prospectus is available from the Company. These documents can also be obtained from the custodian and the Distributor. They are also available on the Company's website (<http://www.acatis.de>).

## **26. Other investment funds managed by the Company**

The Company also manages the following public investment funds, which are not covered by this Sales Prospectus:

### **Investment funds pursuant to the UCITS Directive**

- ACATIS Aeon Global Fonds
- ACATIS AI US Equities
- ACATIS AI Global Equities
- ACATIS AKTIEN GLOBAL FONDS
- Acatis Asia Pacific Plus Fonds
- ACATIS Global Value Total Return
- ACATIS IfK Value Renten
- ACATIS Medici Fonds
- ACATIS QILIN Marco Polo Asien Fonds
- ACATIS Value Event Fonds

### **Investment funds pursuant Part I of the Luxembourg Law of 17 December 2010**

- ACATIS Fair Value Deutschland ELM
- ACATIS Fair Value Modulor Vermögensverwaltungsfonds Nr.1
- ACATIS VALUE PERFORMER

## C. Overview of the unit classes

### Initial issue date

Unit class A	22/12/2008
Unit class B	15/04/2011
Unit class X (TF)	26/07/2021

### Initial issue prices

Unit class A	EUR 100.00 plus issuing surcharge
Unit class B	EUR 50.00 plus issuing surcharge
Unit class X (TF)	EUR 100.00 plus issuing surcharge

### Issuing surcharge

Unit class A	6%
Unit class B	5%
Unit class X (TF)	currently 0%

### Minimum investment amount

Unit class A	EUR 1,000,000.00; for subsequent investments none
Unit class B	none
Unit class X (TF)	none

### Management fee

Unit class A	currently 0.80% p.a.
Unit class B	currently 1.65% p.a.
Unit class X (TF)	currently 1.30% p.a.

### Custodian fee

Unit class A	currently 0.10% p.a.
Unit class B	currently 0.10% p.a.
Unit class X (TF)	currently 0.10% p.a.

### Currency

Unit class A	EUR
Unit class B	EUR
Unit class X (TF)	EUR

### Use of income

Unit class A	distributing
Unit class B	cumulative
Unit class X (TF)	distributing

**Securities ID No. / ISIN:**

Unit class A	A0RKXJ / DE000A0RKXJ4
Unit class B	A1H72F / DE000A1H72F1
Unit class X (TF)	A2QSGT / DE000A2QSGT9

**Other purchase restrictions**

Unit class A	none
Unit class B	none
Unit class X (TF)	Purchases in this unit class are exclusively reserved for market participants (e.g. banks, asset managers, fee-based financial advisers) who, due to statutory/regulatory requirements or special payment arrangements with end-investors/investors (e.g. asset management agreements) may not accept and/or receive ongoing distribution or portfolio commissions. For purchases in this unit class, the Management Company and the custodian of ACATIS Datini Valueflex Fonds reserve the right to request relevant confirmation/proof from the respective counterparty to the unit transaction.

## D. List of sub-custodians

The Custodian has transferred the following custodian activities:

- o Domestic assets held on behalf of the Fund are held in safekeeping in the Clearstream Frankfurt Account 7008 of UBS Europe SE.
- o All foreign assets held on behalf of the Fund are held in safekeeping by Switzerland-based UBS AG. It has appointed the following sub-custodians:

### For bonds:

Clearstream Banking Luxembourg

### For investment funds:

Clearstream Banking Luxembourg

### For shares:

Australia	BNP Paribas Securities Services Australia Branch
Austria	Unicredit Bank Austria AG
Belgium	Citibank International
China	Citibank, Hong Kong
Canada	CIBC Mellon, Toronto
Denmark	SEB Copenhagen
Finland	SEB Helsinki
France	Clearstream Banking Luxembourg
Greece	Citibank N.A., Athens
Hong Kong	UBS Sec. Hong Kong
Hungary	Citibank, Budapest
Ireland	BNP Paribas, London
Italy	Citibank, Milan
Japan	Bank of Tokyo Mitsubishi, Tokyo
Malaysia	Citibank Berhad
Mexico	Citibank Mexico S.A.
Netherlands	Citibank Intl.
New Zealand	BNP Paribas Sec. Services, Wellington
Norway	SEB Oslo
Poland	Bank Pekao, Warsaw
Portugal	Citibank International, Lisboa
Singapore	Citibank N.A., Singapore
Slovenia	UniCredit Bank, Bratislava
Spain	Citibank N.A., Madrid
Sweden	SEB, Stockholm
Switzerland	SIX SIS AG, Zurich
Great Britain	BNP Paribas, London
USA	Citibank N.A.

UBS AG is an affiliated company of the Depositary.

## **E. Purchaser's right of revocation**

### **Right of revocation**

If the purchase of units in open-end investment funds is based on verbal negotiations outside the permanent business premises of the party that sold the units or brokered the sale, the purchaser may revoke his intention to buy in writing (e.g. letter, fax, e-mail) within two weeks without having to give a reason. The right of revocation also applies if the party selling the units or arranging the sale does not have a permanent business premises.

The revocation period shall only begin when the carbon copy of the application to conclude the contract has been handed over to the buyer or if the buyer has been sent a purchase invoice (containing instructions regarding the right of revocation) that meets the requirements of Article 246(3), sentences 2 and 3 of the Introductory Act to the BGB [Einführungsgesetz zum Bürgerlichen Gesetzbuch]. The timely dispatch of the revocation shall be deemed sufficient for compliance with the deadline. Should there be any dispute as to when the revocation period began, the seller bears the burden of proof. Notice of revocation must be given in writing, stating the name of the person making the declaration as well as their signature; no justification is required.

Notice of revocation must be sent to

ACATIS Investment Kapitalverwaltungsgesellschaft mbH  
mainBuilding - Taunusanlage 18  
60325 Frankfurt am Main Fax: +49 (0) 69 97 58 37 99  
E-mail: [anfragen@acatis.de](mailto:anfragen@acatis.de)

The right of revocation shall not apply if the seller can prove either that the buyer is not a consumer within the meaning of § 13 BGB or that the former contacted the latter for the purpose of negotiations which led to the purchase of the units on the basis of a previous order under § 55(1) of the German Trade Regulations (Gewerbeordnung).

### **Revocation implications**

If the offer has been effectively revoked and the buyer has already made payments, the Company shall reimburse said party, against a retransfer of the units acquired, the costs paid plus an amount equal to the value of the units paid for on the day after the notice of revocation was received. If need be, the reimbursement shall be made in instalments. The right of revocation cannot be waived.

The above statements apply accordingly if the units are sold by the investor.

## **F. General Terms and Conditions of Investment**

### **GENERAL TERMS AND CONDITIONS OF INVESTMENT**

**governing the legal relationship between the investors**

**and**

**ACATIS INVESTMENT KAPITALVERWALTUNGSGESELLSCHAFT MBH,**

**Frankfurt/Main,**

**(hereinafter referred to as the "Company")**

**for the investment funds managed**

**pursuant to the UCITS Directive, applicable only in conjunction**

**with the Special Terms and Conditions of Investment drawn up for each**

**investment**

**fund.**

#### **§ 1 General provisions**

- (1) The Company is a UCITS capital management company and is subject to the provisions of the KAGB.
- (2) The Company invests the capital deposited with it in its own name and for the collective account of the investors, but separately from its own assets in the form of a UCITS investment fund. It invests this capital, pursuant to the principle of risk diversification, in assets permitted under the KAGB. It issues global certificates in respect of the rights of the investors resulting therefrom.
- (3) The purpose of the UCITS investment fund is limited to investing in accordance with a specified investment strategy within the framework of collective asset management, using the funds deposited with it; the UCITS investment fund does not have an operating function or active business management of the assets held.
- (4) The legal relationship between the Company and the investor is governed by the General Terms and Conditions of Investment and Special Terms and Conditions of Investment of the UCITS investment fund and the KAGB.

#### **§ 2 Custodian**

- (1) The Company shall appoint a credit institution as the Custodian of the UCITS investment fund; it shall act independently of the Company and exclusively in the interest of investors.
- (2) The duties and obligations of the Custodian are governed by the Custodian Agreement entered into with the Company, the KAGB, and the Terms and Conditions of Investment.
- (3) The Custodian may outsource custodian duties to another company ("sub-custodian") in accordance with § 73 KAGB. Further information can be found in the Sales Prospectus.

- (4) The Custodian shall be liable to the UCITS investment fund or to the investors for the loss of a financial instrument as defined in § 72(1)(1) KAGB held by the Custodian or a sub-custodian to whom custody of financial instruments was outsourced pursuant to § 73(1) KAGB. The Custodian shall not be liable if it can prove that the loss is attributable to external events, the consequences of which were unavoidable despite all appropriate countermeasures. Further claims resulting from the provisions of civil law on the basis of agreements or tort remain unaffected. The Custodian is also liable to the UCITS or the investors for all other losses suffered by them as a result of the Custodian's negligent or intentional failure to properly fulfil its obligations pursuant to the provisions of the KAGB. The liability of the Custodian shall not be affected by any transfer of custodian duties referred to in the first sentence of (3) above.

### § 3 Fund management

- (1) The Company shall acquire and manage the assets in its own name for the joint account of the investors with the due skill, honesty, care and diligence. It shall act independently of the Custodian and solely in the interests of investors when carrying out its duties.
- (2) The Company is authorised to acquire and resell assets with the money deposited by investors, and to invest the proceeds elsewhere; it is also authorised to perform all other legal acts resulting from the management of the assets.
- (3) The Company may neither lend money nor enter into obligations resulting from a contract of surety or a guarantee agreement for the joint account of investors; it may not sell assets referred to in §§ 193, 194 and 196 KAGB that do not belong to the UCITS investment fund at the time of the transaction. § 197 KAGB remains unaffected.

### § 4 Investment principles

The UCITS investment fund shall directly or indirectly invest in accordance with the principle of risk diversification. The Company shall only acquire assets for the UCITS investment fund that are expected to generate income and/or growth. It stipulates the assets that can be acquired on behalf of the UCITS investment fund in the Special Terms and Conditions of Investment.

### § 5 Transferable securities

Provided the Special Terms and Conditions of Investment do not contain any additional restrictions, the Company may – subject to § 198 KAGB – only acquire any transferable securities on behalf of the UCITS investment fund if:

- a) they are admitted to trading on a stock exchange or admitted to or included in another organised market in a Member State of the European Union or another State party to the Agreement on the European Economic Area;
- b) they are exclusively admitted to trading on a stock exchange in a state outside the EU or EEA, or are admitted to or included in another organised market in one of these states, provided this choice of stock exchange or organised market has been approved by BaFin<sup>7</sup>;
- c) their admission to trading on a stock exchange in an EU Member State or in another State that is party to the EEA Agreement, or their admission to or inclusion on an organised market in an EU Member State or in another State that is party to the EEA Agreement, must be

<sup>7</sup> The list of stock exchanges is published on BaFin's website (<http://www.bafin.de>).

applied for in accordance with their terms of issue, provided that these transferable securities are admitted or included within one year of being issued;

- d) their admission to trading on a stock exchange or their admission or inclusion on an organised market that is not in an EU Member State or in a State party to the EEA Agreement must be applied for in accordance with their terms of issue, provided these transferable securities are admitted or included within one year of being issued;
- e) they are shares to which the UCITS investment fund is entitled in the event of a capital increase from company funds;
- f) they are acquired by exercising subscription rights held by the UCITS investment fund;
- g) they are units in closed-end funds that meet the criteria specified in § 193(1)(7) KAGB,
- h) they are financial instruments that meet the criteria specified in § 193(1)(8) KAGB.

The purchase of transferable securities pursuant to (a)–(d) above shall only be allowed if the conditions of § 193(1) second sentence KAGB have also been met. Subscription rights arising from underlying securities that can be acquired according to this § 5 may also be acquired.

## § 6 Money market instruments

- (1) Unless additional restrictions are imposed by the Special Terms and Conditions of Investment, the Company may – subject to § 198 KAGB – acquire, on behalf of the UCITS investment fund, instruments which are normally traded on the money market, as well as interest-bearing transferable securities, which at the time of acquisition for the UCITS investment fund, have a residual maturity not exceeding 397 days, the interest rate of which is, according to the terms of issue, regularly adjusted to market conditions over their entire term (or at least once every 397 days) or the risk profile of which is similar to the risk profile of such transferable securities (money market instruments).

Money market instruments may only be acquired for the UCITS investment fund if they are

- a) admitted to trading on a stock exchange in an EU Member State or another State party to the EEA Agreement or are admitted to or included in another organised market in any of these states;
- b) exclusively admitted to trading on a stock exchange in a state outside the EU or EEA, or are admitted to or included in another organised market in one of these states, provided this choice of stock exchange or organised market has been approved by BaFin<sup>8</sup>;
- c) issued or guaranteed by the EU, the German federal government, a German federal government fund, a German federal state, another EU Member State or another central, regional or local authority or central bank of an EU Member State, the European Central Bank or European Investment Bank, a third country or, if this country is a federation, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong;
- d) issued by an undertaking whose transferable securities are traded on the markets stated in (a) and (b);
- e) issued or guaranteed by a credit institution that is subject to prudential supervision in accordance with the criteria defined by EU law, or by a credit institution which is subject to and complies with prudential rules that are considered by BaFin to be at least as stringent as those laid down by EU law; or
- f) issued by other issuers which meet the requirements of § 194(1)(6) KAGB.

<sup>8</sup> The list of stock exchanges is published on BaFin's website (<http://www.bafin.de>).

- (2) Money market instruments within the meaning of (1) may only be acquired if they meet the relevant requirements of § 194(2) and (3) KAGB.

## § 7 Bank deposits

The Company may, on behalf of the UCITS investment fund, hold bank deposits with a maximum term of 12 months. The deposits to be kept in blocked accounts may be held with a credit institution with its registered office in an EU Member State or a State party to the EEA Agreement; deposits may also be held by a credit institution with its registered office in a third country, whose prudential rules considered by BaFin to be at least as stringent as those laid down by EU law. Unless otherwise specified in the Special Terms and Conditions of Investment, bank deposits may also be denominated in a foreign currency.

## § 8 Investment units

- (1) Unless otherwise specified in the Special Terms and Conditions of Investment, the Company may acquire units in investment funds pursuant to Directive 2009/65/EC on behalf of the UCITS investment fund. Units in other domestic investment funds and investment corporations with variable capital and units in open-end EU AIFs and foreign open-end AIFs may be acquired if they meet the requirements of § 196(1)(2) KAGB.
- (2) The Company may only acquire units in domestic investment funds and investment corporations with variable capital, in EU UCITS, or in EU and foreign open-end AIFs, if the Terms and Conditions of Investment or the Articles of Association of the capital management company, the investment corporation with variable capital, the EU investment fund, the EU management company, the foreign AIF or the foreign AIF management company stipulate that no more than 10% in total of the value of their assets may be invested in units in other domestic investment funds, investment corporations with variable capital, open-end EU investment funds or foreign open-end AIFs.

## § 9 Derivatives

- (1) In managing the UCITS investment fund, the Company may use derivatives as per § 197(1)(1) KAGB and financial instruments with derivative components as per § 197(1)(2) KAGB, unless the Special Terms and Conditions of Investment stipulate otherwise. In order to ascertain the degree of market risk, the limit of which is established in accordance with § 197(2) KAGB, for the use of derivatives and financial instruments with derivative components, the Company may – depending on the type and scope of the derivatives and financial instruments with derivative components used – use either the simple or qualified approach within the meaning of the Regulation on risk management and risk measurement in the use of derivatives, securities lending and repurchase agreements in investment funds pursuant to the Capital Investment Code (DerivateV), enacted in accordance with § 197(3) KAGB; for further details, please refer to the Sales Prospectus.
- (2) If the Company uses the simple approach, it may regularly use only basic forms of derivatives, financial instruments with derivative components, or combinations of such derivatives, financial instruments with derivative components and underlying instruments that are permissible according to § 197(1)(1) KAGB. Only a negligible share of complex derivatives comprising underlying instruments which are permissible according to § 197(1)(1) KAGB may be used. The attributable amount to be calculated for the UCITS investment fund in accordance with the provisions of § 16 DerivateV may not exceed the investment fund's value at any time.

Basic forms of derivatives are:

- a) futures contracts on underlying instruments as per § 197(1) KAGB, except investment units as per § 196 KAGB;
  - b) options or warrants on underlying instruments as per § 197(1) KAGB, except investment units as per § 196 KAGB, and on future contracts under (a), if they have the following characteristics:
    - aa) they can be exercised either throughout the term or at the end of the term; and
    - bb) the value of the option at the exercise date is linearly dependent on the positive or negative difference between the underlying price and the market price of the underlying, and becomes zero if the difference has the opposite (plus/minus) sign;
  - c) interest rate swaps, currency swaps or interest rate-currency swaps;
  - d) options on swaps in accordance with (c), provided that they bear the characteristics described in (aa) and (bb) above (swaptions);
  - e) single name credit default swaps.
- (3) If the Company uses the qualified approach, it may invest in any financial instruments with derivative components or in derivatives that are derived from an underlying instrument that is permissible according to § 197(1)(1) KAGB, provided that it maintains an appropriate risk management system. The potential VaR for the market risk attributable to the UCITS investment fund may never exceed double the potential VaR of the relevant benchmark assets pursuant to § 9 DerivateV. Alternatively, the VaR may never exceed 20% of the value of the UCITS investment fund.
  - (4) Under no circumstances may the Company deviate from the investment principles and limits that are specified in the Terms and Conditions of Investment or in the Sales Prospectus in relation to such transactions.
  - (5) The Company will use derivatives and financial instruments with derivative components for hedging purposes, efficient portfolio management and in order to generate additional income, if and to the extent it considers this to be in the interests of investors.
  - (6) When calculating the market-risk limit for the use of derivatives and financial instruments with derivative components, the Company may at any time switch from the simple to the qualified approach pursuant to § 6 (3) DerivateV. Switching does not require BaFin approval; however, the Company must promptly notify BaFin of the switch and publish it in the subsequent semi-annual or annual report.
  - (7) When using derivatives and financial instruments with derivative components, the Company shall comply with the DerivateV.

## § 10 Other investment instruments

Unless specified otherwise in the Special Terms and Conditions of Investment, the Company may invest, on behalf of the UCITS investment fund, up to 10% of that fund's assets in "Other Investment Instruments" pursuant to § 198 KAGB.

## § 11 Issuer limits and investment limits

- (1) In its management activities, the Company shall comply with the investment limits and restrictions specified in the KAGB, DerivateV and the Terms and Conditions of Investment.

- (2) Up to 5% of the UCITS investment fund's assets may be invested in transferable securities and money market instruments (including transferable securities and money market instruments of a single issuer that are purchased under agreements to resell). However, up to 10% of the UCITS investment fund's assets may be invested in these transferable securities and money market instruments if this is stipulated in the Special Terms and Conditions of Investment and if the total value of the transferable securities and money market instruments of these issuers does not exceed 40% of the value of the UCITS investment fund.
- (3) The Company may invest up to 35% of the value of the UCITS investment fund in bonds, borrower's note loans and money market instruments which have been issued or guaranteed by the Federal Republic of Germany, a German state, the EU, an EU Member State or its local authorities, another State which is party to the EEA Agreement, a third country, or an international organisation to which at least one EU Member State belongs.
- (4) The Company may in each case invest up to 25% of the UCITS investment fund's assets in mortgage bonds, public-sector bonds and bonds issued by credit institutions which have their registered office in an EU Member State or another State that is party to the EEA Agreement. This is subject to the following: said credit institutions are subject by law to special public supervision designed to protect the holders of such bonds; funds acquired through the issue of the bonds are invested (in accordance with the law) in assets that sufficiently cover the liabilities arising from these bonds throughout their term, and said assets are primarily to be used to repay the principal and pay interest should the issuer default. If the Company invests more than 5% of the value of the UCITS investment fund in bonds of a single issuer in accordance with the previous sentence, the total value of those bonds must not exceed 80% of the UCITS investment fund's value.
- (5) The limit in (3) above may be exceeded for transferable securities and money market instruments of a single issuer in accordance with § 206(2) KAGB, if permitted by the Special Terms and Conditions of Investment with regard to the issuers named therein. In such cases, the transferable securities and money market instruments held on behalf of the UCITS investment fund must originate from at least six different issues, and no single issue may exceed 30% of the UCITS investment fund's assets.
- (6) The Company may not invest more than 20% of the UCITS investment fund's value in bank deposits as per § 195 KAGB at a single credit institution.
- (7) The Company must ensure that a combination of
  - a) transferable securities or money market instruments issued by a single institution,
  - b) deposits made with that institution and
  - c) amounts to be applied for the counterparty risk for transactions entered into with this institution
 does not exceed 20% of the value of the UCITS investment fund. The previous sentence applies to those issuers and guarantors stated in (3) and (4) above, with the stipulation that the Company must ensure that a combination of the assets and attributable amounts stated in the first sentence does not exceed 35% of the value of the UCITS investment fund. In both cases, the respective individual maximum limits remain unaffected.
- (8) The bonds, borrower's note loans and money market instruments referred to in (3) and (4) above are not taken into account when applying the 40% limit referred to in (2) above. Notwithstanding the provisions of (7), the limits referred to in (2)–(4) and (6)–(7) of this section may not be accumulated.
- (9) The Company may only invest up to 20% of the value of the UCITS investment fund in units of any one investment fund as per § 196(1) KAGB. The Company may only invest up to 30%

of the value of the UCITS investment fund in units of investment funds in accordance with § 196(1)(2) KAGB. The Company may, on behalf of the UCITS investment fund, not acquire more than 25% of the units issued by another open-end domestic, EU or foreign investment fund that are invested (in accordance with the principle of risk diversification) in assets within the meaning of §§ 192–198 KAGB.

## § 12 Mergers

- (1) Pursuant to §§ 181–191 KAGB, the Company may
  - a) transfer all assets and liabilities of this UCITS investment fund to another existing or newly formed investment fund, or to an EU UCITS or a UCITS investment corporation with variable capital;
  - b) absorb all assets and liabilities of another open-end retail fund into this UCITS investment fund.
- (2) Any merger is subject to approval by the relevant competent supervisory authority. Details of the procedure can be found in §§ 182–191 KAGB.
- (3) The UCITS investment fund may only be merged with a retail fund that is not a UCITS if the absorbing or newly formed investment fund will continue to be a UCITS. EU UCITS may also be merged with the UCITS investment fund in accordance with Article 2(1)(p)(iii) of Directive 2009/65/EC.

## § 13 Transferable securities lending

- (1) The Company may, on behalf of the UCITS investment fund, grant a transferable securities loan, which can be called at any time, to a securities borrower in return for market-rate compensation after the transfer of sufficient collateral in accordance with § 200(2) KAGB. The market value of the securities to be transferred, together with the market value of the securities already transferred as a securities loan on behalf of the UCITS investment fund to the same securities borrower, including companies in the same group within the meaning of § 290 of the German Commercial Code [Handelsgesetzbuch – HGB], may not exceed 10% of the value of the UCITS investment fund.
- (2) Should the securities borrower's collateral for the transferred securities be provided in the form of credit, said credit must be kept in blocked accounts pursuant to § 200(2)(3)(1) KAGB. Alternatively, the Company may exercise the option to invest this credit (in its currency) in the following assets:
  - a) in high-quality bonds issued by the Federal Republic of Germany, a German state, the EU, an EU Member State or its local authorities, a State party to the EEA Agreement or a third country,
  - b) in money market funds with a short maturity structure corresponding to the guidelines issued by BaFin on the basis of § 4(2) KAGB, or
  - c) by way of a reverse repurchase agreement with a credit institution that guarantees the repayment of the accrued credit at any time.

The UCITS investment fund shall be entitled to the income from investing the collateral.

- (3) The Company may also make use of a system for brokering and processing securities loans – organised by a securities clearing and deposit bank, or by another company stated in the Special Terms and Conditions of Investment, whose corporate purpose is to process international securities transactions for others – which deviates from the requirements of § 200

and § 201 KAGB, provided that the conditions of such system guarantee that the interests of investors are protected and there is no deviation from the right of termination at any time in accordance with (1) above.

- (4) Unless otherwise specified in the Special Terms and Conditions of Investment, the Company may also provide transferable securities loans in connection with money market instruments and investment units, provided that the UCITS investment fund is permitted to acquire such assets. The provisions of (1)–(3) shall apply mutatis mutandis.

#### **§ 14 Repurchase agreements**

- (1) The Company may, on behalf of the UCITS investment fund and in return for a fee, enter into callable securities repurchase agreements, within the meaning of § 340b(2) HGB, with credit institutions or financial services institutions on the basis of standardised framework agreements.
- (2) The repurchase agreements must involve transferable securities that may be acquired for the UCITS investment fund in accordance with the Terms and Conditions of Investment.
- (3) Repurchase agreements shall be limited to a term of 12 months.
- (4) Unless otherwise specified in the Special Terms and Conditions of Investment, the Company may also enter into repurchase agreements in connection with money market instruments and investment units, provided that the UCITS investment fund is permitted to acquire such assets. The provisions of (1)–(3) shall apply mutatis mutandis.

#### **§ 15 Borrowing**

The Company may take out short-term loans amounting to up to 10% of the UCITS investment fund's assets for the joint account of the investors, provided that the terms of the loan are in line with the market and the Custodian agrees to the loan.

#### **§ 16 Units**

- (1) The unit certificates to be securitised in the form of a collective certificate are issued to bearer.
- (2) Units may have different characteristics, particularly with regard to the use of income, the issue surcharge, redemption fees, the currency of the unit value, the management fee, the minimum investment amount, or a combination of these characteristics (unit classes). For details, please refer to the Special Terms and Conditions of Investment.
- (3) The units are transferable unless otherwise stated in the Special Terms and Conditions of Investment. When a unit is transferred, the rights conferred by it are also transferred. The Company shall, in all cases, consider the bearer of the unit to be the beneficiary.
- (4) The rights of investors or the rights of investors in a unit class are securitised via a global certificate. It must bear at least the handwritten or copied signatures of the Company and the custodian. There is no right to claim the issue of individual share certificates. Where physical certificates were delivered for the UCITS investment fund in the past and these are not held in collective custody by one of the bodies referred to in § 97(1)(2) KAGB after 31 December 2016, these physical certificates shall become invalid after 31 December 2016. Investor units will instead be securitised in a global certificate and credited to a segregated

account held by the Custodian. If an invalidated physical certificate is submitted to the Custodian, the depositor may request that a corresponding unit be credited to a securities account designated by it and held on its behalf. Physical certificates held in collective safekeeping as at 31 December 2016 by a body referred to in § 97(1), sentence 2 KAGB may be transferred to a global certificate at any time.

### **§ 17 Issue and redemption of units and suspension of redemption**

- (1) In principle, there is no limit to the number of units that may be issued. The Company reserves the right to suspend or permanently discontinue the issue of units.
- (2) Units may be acquired from the Company or Custodian or via a third party. The Special Terms and Conditions of Investment may stipulate that units can only be acquired and held by specific investors.
- (3) The investors may require the Company to redeem the units. The Company shall be obliged to redeem the units at the relevant applicable redemption price on behalf of the UCITS investment fund. The place of redemption is the Custodian.
- (4) The Company may, however, suspend the redemption of units pursuant to § 98(2) KAGB if extraordinary circumstances arise which make such a suspension appear necessary in the interests of investors.
- (5) The Company shall inform the investors of any suspension pursuant to (4) above and the resumption of redemption via publication of a notice in the German Federal Gazette, as well as a financial or daily newspaper with sufficient circulation or in the electronic media stated in the Sales Prospectus. Following the publication of a notice in the German Federal Gazette, investors must be immediately informed by means of a durable medium of the suspension and resumption of unit redemption.

### **§ 18 Issue and redemption prices**

- (1) In order to calculate the issue and redemption prices of units, the market value of the assets held by the UCITS investment fund less loans and other liabilities (net asset value) shall be determined and divided by the number of units issued (unit value). Should different unit classes be introduced for the UCITS investment fund pursuant to § 16(2), the unit value and issue and redemption price shall be calculated separately for each unit class. Assets shall be valued pursuant to §§ 168 and 169 KAGB and the Capital Investment Accounting and Valuation Ordinance [Kapitalanlage-Rechnungslegungs- und Bewertungsverordnung – KARBV].
- (2) The issue price equals the value of a unit in the UCITS investment fund, plus (if applicable) an issuing surcharge to be specified in the Special Terms and Conditions of Investment pursuant to § 165(2)(8) KAGB. The redemption price will be equal to the value of a unit in the UCITS investment fund, minus (if applicable) a redemption fee to be specified in the Special Terms and Conditions of Investment pursuant to § 165(2)(8) KAGB.
- (3) The settlement date for unit purchases and redemption orders shall be no later than the valuation date following receipt of the purchase/redemption order, unless otherwise specified in the Special Terms and Conditions of Investment.
- (4) The issue and redemption prices shall be determined on each trading day. Unless otherwise stipulated in the Special Terms and Conditions of Investment, the Company and Custodian may refrain from calculating the value on statutory public holidays which are trading days

or on 24 or 31 December of each year; this is explained in more detail in the Sales Prospectus.

## § 19 Costs

The expenses and fees due to the Company, the Custodian and third parties which may be charged to the UCITS investment fund are stated in the Special Terms and Conditions of Investment. In the case of fees within the meaning of the previous sentence, the Special Terms and Conditions of Investment shall also specify how and in what amount they are to be paid, and how they are to be calculated.

## § 20 Accounting

- (1) No later than four months after the end of the UCITS investment fund's financial year, the Company shall issue an annual report, including a profit and loss account pursuant to § 101(1), (2) and (4) KAGB.
- (2) No later than two months after the middle of the financial year, the Company shall issue a semi-annual report pursuant to § 103 KAGB.
- (3) If, during the financial year, the right to manage the UCITS investment fund is transferred to another capital management company or the UCITS investment fund is merged with another UCITS investment fund, a UCITS investment corporation with variable capital or an EU UCITS investment fund, the Company shall draw up, on the transfer date, an interim report that meets the requirements of an annual report as per (1) above.
- (4) Should the UCITS investment fund be liquidated, the Custodian shall draw up a liquidation report both annually and on the date on which the liquidation is completed; this report must meet the requirements of an annual report as stated in (1) above.
- (5) These reports shall be available from the Company, the Custodian and other agents stated in the Sales Prospectus and the Key Information Document; they shall also be published in the German Federal Gazette.

## § 21 Termination and liquidation of the UCITS investment fund

- (1) The Company may cease managing the UCITS investment fund subject with at least six months' notice via publication of a notice in the German Federal Gazette, as well as in the annual or semi-annual report. Investors shall be immediately notified via durable medium of any termination notified pursuant to sentence 1.
- (2) The right of the Company to manage the UCITS investment fund shall expire on the date on which termination takes effect. In this case, the UCITS investment fund and/or the right to dispose of it shall be transferred to the Custodian, which shall liquidate it and distribute the proceeds to investors. In return for the performance of its liquidation duties, the Custodian shall be entitled to a fee as well as to the reimbursement of its expenses incurred as a necessary part of the liquidation. With BaFin approval, the Custodian may refrain from the liquidation and distribution, and appoint another capital management company to manage the UCITS investment fund in accordance with the current Terms and Conditions of Investment.

- (3) On the day its management right expires pursuant to § 99 KAGB, the Company shall draw up a liquidation report that meets the requirements for an annual report pursuant to § 20(1) above.

## **§ 22 Change of Capital Management Company and Custodian**

- (1) The Company may transfer the right to manage and to dispose of the UCITS investment fund to another capital management company. Transfers are subject to prior approval by BaFin.
- (2) The approved transfer is disclosed in the German Federal Gazette and also in the annual and semi-annual report. Investors shall be immediately notified via durable medium of any transfer notified pursuant to the first sentence. The transfer will take effect at the earliest three months after being notified in the German Federal Gazette.
- (3) The Company may change the Custodian for the UCITS investment fund. Any such change is subject to approval by BaFin.

## **§ 23 Amendments to the Terms and Conditions of Investment**

- (1) The Company may amend the Terms and Conditions of Investment.
- (2) Amendments thereto are subject to prior approval by BaFin. If the amendments referred to in (1) above relate to the UCITS investment fund's investment principles, they shall require the prior consent of the Company's Supervisory Board.
- (3) All planned amendments shall be published in the German Federal Gazette, as well as in a financial or daily newspaper with sufficient circulation, or in the electronic media stated in the Sales Prospectus. Any publication pursuant to the previous sentence shall state the planned amendments and their date of entry into force. Should there be any changes to costs within the meaning of § 162(2), point 11 KAGB, changes to the investment principles of the UCITS investment fund within the meaning of § 163(3) KAGB or changes to the material rights of investors, the investors must be informed, at the same time as publications in accordance with the first sentence of this paragraph, of what the planned changes to the Terms and Conditions of Investment essentially involve and the reasons therefor, as well as be provided with information regarding their rights under § 163(3) KAGB, in a comprehensible manner and by way of a durable medium pursuant to § 163(4) KAGB.
- (4) The amendments shall not enter into force until the day after they are published in the German Federal Gazette or, in the event of amendments to the costs or investment principles, until three months have passed since publication thereof.

## **§ 24 Place of performance**

The place of performance is the Company's registered office.

## **G. Special Terms and Conditions of Investment**

### **SPECIAL TERMS AND CONDITIONS OF INVESTMENT**

**governing the legal relationship between the investors**

**and**

**ACATIS INVESTMENT KAPITALVERWALTUNGSGESELLSCHAFT MBH,**

**Frankfurt/Main,**

**(hereinafter referred to as the "Company")**

**for the**

**investment fund managed by the Company pursuant to the UCITS Directive,**

**ACATIS Datini Valueflex Fonds,**

**which are valid only in conjunction with the**

**General Terms and Conditions of Investment**

**drawn up by the Company for this investment fund**

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### **INVESTMENT PRINCIPLES AND INVESTMENT LIMITS**

#### **§ 1 Assets**

The Company may acquire the following assets for the UCITS investment fund:

1. Transferable securities pursuant to § 5 of the General Terms and Conditions of Investment,
2. Money market instruments pursuant to § 6 of the General Terms and Conditions of Investment,
3. Bank deposits pursuant to § 7 of the General Terms and Conditions of Investment,
4. Investment units pursuant to § 8 of the General Terms and Conditions of Investment,
5. Derivatives pursuant to § 9 of the General Terms and Conditions of Investment,
6. Other investment instruments pursuant to § 10 of the General Terms and Conditions of Investment.

### § 1a Securities lending and repurchase agreements

Securities lending and repurchase transactions pursuant to §§ 13 and 14 of the General Terms and Conditions of Investment are not permitted.

### § 2 Investment limits

- (1) The UCITS investment fund may consist entirely of transferable securities within the meaning of § 1(1).
- (2) At least 25% of the value of the actual assets (the amount of the actual assets is determined by the value of the investment fund's assets within the meaning of § 1(2) of the Investment Tax Act (InvStG), excluding liabilities) of the UCITS investment fund is invested in equity interests within the meaning of § 2(8), points 1, 3 and 4 InvStG that can be acquired for the UCITS investment fund according to the terms and conditions of investment (balanced fund within the meaning of § 2(7) InvStG). In so doing, the actual equity interest ratios of target investment funds within the meaning of the first sentence of § 2(5)(1) InvStG that can be acquired for the UCITS investment fund in accordance with these terms and conditions of investment can be taken into account.
- (3) Up to 75 % of the value of the UCITS investment fund may be invested in money market instruments, subject to § 6 of the General Terms and Conditions of Investment.
- (4) Transferable securities and money market instruments of a single issuer may be acquired up to an amount of between 5% and 10% of the value of the UCITS investment fund if the total value of the transferable securities and money market instruments held from this issuer does not exceed 40% of the value of the UCITS investment fund.
- (5) Up to 75% of the value of the UCITS investment fund may be held in bank deposits as specified in § 7(1) of the General Terms and Conditions of Investment.
- (6) The UCITS investment fund may be entirely held in investment units as per § 8 of the General Terms and Conditions of Investment. The Company shall select the investment units to be acquired either in accordance with the Terms and Conditions of Investment or the investment focus of said units, or the units' most recent annual or semi-annual report. It may acquire all permitted types of units in domestic investment funds and investment corporations with variable capital and units in EU UCITS and open-end investment funds (which are not EU UCITS) managed by EU management companies or foreign management companies. The maximum proportion of the UCITS investment fund that may be held in units of the relevant type is not restricted to the limits specified in § 11(9) of the General Terms and Conditions of Investment. Units in feeder funds as per § 1(19), point 11 KAGB are not acquired for the UCITS investment fund.

### § 3 Investment Committee

The Company can be advised by an investment committee in respect of the UCITS investment fund.

## UNIT CLASSES

### § 4 Unit classes

- (1) For the UCITS investment fund, unit classes may be formed in accordance with § 16(2) of the General Terms and Conditions of Investment. Such unit classes differ in terms of the use of income, the issuing surcharge, the currency of the unit value (including use of currency hedging transactions), the management fee, the custodian fee, the fee for managing derivative transactions and collateral for derivative transactions, the Distributor, the minimum investment amount or a combination of these characteristics. Unit classes may be created at any time at the Company's discretion.
- (2) Existing unit classes shall be listed individually in the Sales Prospectus and in the annual and semi-annual reports. The characteristics of the unit classes (use of income, issuing surcharge, currency of the unit value, management fee, custodian fee, the fee for the management of derivative transactions and collateral for derivative transactions, the Distributor, minimum investment amount or a combination of these characteristics) are described in detail in the Sales Prospectus and the annual and semi-annual reports.
- (3) Currency hedging transactions may be concluded exclusively in favour of an individual currency unit class. For foreign currency unit classes that are currency hedged in favour of the currency in which those unit classes are denominated (reference currency), the Company may also – notwithstanding the provisions of § 9 of the General Terms and Conditions of Investment – use derivatives (within the meaning of § 197(1) KAGB) on exchange rates or currencies so as to avoid losses in unit value resulting from foreign exchange losses relating to assets of the UCITS investment fund that are not denominated in the reference currency for that unit class.
- (4) Unit values are calculated for each unit class separately by taking the costs of creating new unit classes, distributions (including any taxes payable from the Fund's assets), the fees stated in (1) above and the results of currency hedging transactions related to a certain class of units, including any income equalisation, attributed exclusively to that unit class.

## UNITS, ISSUE PRICE, REDEMPTION PRICE, UNIT REDEMPTION AND COSTS

### § 5 Units

Investors are fractional co-owners of the UCITS investment fund's respective assets in proportion to their number of units.

### § 6 Issue and redemption prices

- (1) The issuing surcharge amounts to 6.00% of the unit price. The Company may charge a reduced fee, or not charge one at all, for the UCITS investment fund or one or more unit classes. The Company shall specify the issuing surcharge for each unit class in the Sales Prospectus and the annual and semi-annual reports.
- (2) The redemption shall be performed at the unit value. No redemption fee is charged.

## § 7 Costs

- (1) Fees to which the Company is entitled from the UCITS investment fund:
 

In return for managing the UCITS investment fund, the Company receives a fee (payable quarterly) of up to 1.90% p.a. of the average net asset value of the UCITS investment fund during the accounting period, which is calculated by taking the values on each valuation date. The Company may charge a reduced fee, or not charge one at all, for the UCITS investment fund or one or more unit classes. The Company shall specify the management fee for each unit class in the Sales Prospectus and the annual and semi-annual reports.
- (2) The fees to be paid out of the UCITS investment fund to third parties are as follows:
  - a) The Company may call upon the services of an investment advisory or asset management company when implementing its investment strategy. The advisor or asset management company fee will be covered by the management fee pursuant to paragraph 1(a).
  - b) The Company may call upon the services of third parties for the purposes of or when managing derivatives transactions and collateral for said transactions. In this case, these third parties jointly receive a fee (payable quarterly) amounting to up to a quarter of 0.10% p.a. of the UCITS investment fund's average net asset value during the accounting period, which is calculated by taking the values on each valuation date. The Company may charge a reduced fee, or not charge one at all, for the UCITS investment fund or one or more unit classes. These fees are not covered by the management fee; as a result, the Company charges them to the UCITS investment fund. The Company shall specify the fees paid to third parties for each unit class in the Sales Prospectus and the annual and semi-annual reports.
- (3) In return for performing its duties, the custodian receives a fee (payable quarterly) of up to 0.10% p.a. of the average net asset value of the UCITS investment fund during the accounting period, which is calculated by taking the values on each valuation date. The Custodian may charge a reduced fee, or not charge one at all, for the UCITS investment fund or for one or more unit classes. The Company shall specify the custodian fee for each unit class in the Sales Prospectus and the annual and semi-annual reports.
- (4) The total amount that may be taken out of the UCITS investment fund each year in the form of fees in accordance with paragraphs 1, 2 and 3 above and for reimbursement of expenses under paragraph 5(l) is up to 2.25% p.a. of the UCITS investment fund's average net asset value during the accounting period, which is calculated by taking the values on each valuation date.
- (5) In addition to the aforementioned fees, the following expenses are charged to the UCITS investment fund:
  - a) standard custodian and account fees, including any standard bank costs for the custody of foreign assets abroad;
  - b) costs of printing and dispatching statutory sales documentation intended for investors (annual and semi-annual reports, Sales Prospectus, Key Information Document);
  - c) costs of publishing the annual and semi-annual reports, the issue and redemption prices and, if applicable, the distributions or reinvestments and the liquidation report;
  - d) costs of setting up and using a durable medium, except in the case of information concerning fund mergers and measures in connection with investment limit infringements or calculation errors when ascertaining the unit value;
  - e) costs of the auditing of the UCITS investment fund by the statutory auditor;

- f) costs of publishing the bases for taxation and certifying that the tax information has been drawn up pursuant to German tax regulations;
  - g) costs incurred by the Company for asserting and enforcing legal claims on behalf of the UCITS investment fund, as well as for defending claims raised against the Company at the cost of the UCITS investment fund;
  - h) fees and costs charged by public authorities in relation to the UCITS investment fund;
  - i) costs of legal and tax advice with regard to the UCITS investment fund;
  - j) costs of appointing proxies;
  - k) costs of third parties analysing the performance of the UCITS investment fund;
  - l) 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 0.15% p.a. of the UCITS investment fund's average value, which is calculated by taking the values on each valuation date;
  - m) taxes incurred in connection with the fees payable to the Company, Custodian and third parties as well as in connection with the aforementioned expenses, including taxes arising in connection with management and custody activities.
- (6) In addition to the above-mentioned fees and expenses, costs incurred in connection with the acquisition and disposal of assets shall be charged to the UCITS investment fund.
- (7) The Company must specify in the annual and semi-annual reports the amount of issuing surcharges and redemption fees charged to the UCITS investment fund during the reporting period for the acquisition and redemption of units and shares within the meaning of § 196 KAGB. Concerning the acquisition of units that are managed directly or indirectly by the Company itself or by another company with which the Company is affiliated through a significant direct or indirect shareholding, the Company or the other company may not charge any issuing surcharge or redemption fee for the acquisition or redemption of units. The Company must specify in the annual and semi-annual reports the fee charged to the UCITS investment fund by the Company itself, another management company, an investment corporation or other company with which the Company is affiliated through a significant direct or indirect shareholding, in return for managing the units or shares held in the UCITS investment fund.

## **USE OF INCOME AND FINANCIAL YEAR**

### **§ 8 Income reinvestment**

For accumulating unit classes, the Company shall reinvest on a pro rata basis the interest, dividends and other income that, during the financial year, have accrued on behalf of the UCITS investment fund and have not been used to cover costs – taking the relevant income equalisation into account – as well as the realised capital gains in the UCITS investment fund.

### **§ 9 Distribution**

- (1) For distributing unit classes the Company shall – while taking the relevant income equalisation into account – distribute the pro rata interest, dividends and other income which are allocated to the respective unit class during the financial year and have accrued on behalf of the UCITS investment fund and have not been used to cover costs. Realised capital gains

– taking the relevant income equalisation into account – may also be distributed on a pro rata basis.

- (2) Distributable pro rata income pursuant to (1) above may be carried over for distribution in subsequent financial years, unless the total income carried over exceeds 15% of the relevant value of the UCITS investment fund as at the financial year-end. Income from short financial years may be carried over in full.
- (3) Income may be reinvested in the UCITS investment fund on a pro rata basis, either in whole or in part, in the interest of preserving assets.
- (4) Distributions are made annually, within four months after the end of the financial year. Interim distributions may be provided for individual unit classes.

## **§ 10 Financial year**

The financial year of the UCITS investment fund begins on 1 November and ends on 31 October of the following year.

## **H. Additional information for Austrian Investors**

### *Facility in Austria*

Facility in Austria according to EU directive 2019/1160 article 92:

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