

# Data Intelligence Fund

SALES PROSPECTUS INCLUDING THE TERMS  
AND CONDITIONS OF INVESTMENT OF A UCITS FUND,  
FEBRUARY 2019 ISSUE

UNIT CLASS P (t)  
UNIT CLASS I (t)

INVESTMENT COMPANY:  
AMPEGA INVESTMENT GMBH

Investment units are purchased and sold based on the sales prospectus, the key investor information and the General Terms and Conditions of Investment in conjunction with the “Special Terms and Conditions of Investment” currently in force. The General Terms and Conditions of Investment and the Special Terms and Conditions of Investment are printed subsequent to this sales prospectus.

The sales prospectus shall be provided free of charge together with the most recently published annual report and the semi-annual report published after the annual report, where applicable, to persons interested in purchasing a unit and each investor of the Fund upon request. In addition, the key investor information shall be provided to persons interested in purchasing a unit free of charge and in due time before concluding the contract.

It is not permitted to issue any information or statements at variance with this sales prospectus.

Any purchase or sale of units based on information or statements not contained in this sales prospectus and/or the key investor information shall occur exclusively at the buyer's risk.

The sales prospectus is supplemented by the most recent annual report and the semi-annual report published after the annual report, where appropriate.

Restriction on sales / investment restrictions for U.S. individuals:

The issued units of this Fund may only be offered for sale or sold in countries where such an offer or sale is admissible.

Ampega Investment GmbH and its investment funds are not registered in accordance with the United States Investment Company Act of 1940 as amended. The units offered through this sales prospectus are not and will not be registered in accordance with the United States Securities Act of 1933 as amended or a securities act of any Federal State of the United States of America. Units may neither be offered or sold in the United States nor to or for the account of U.S. individuals. Where applicable, persons interested in purchasing a unit must demonstrate that they are no U.S. individuals and neither purchase any units on behalf of nor resell them to U.S. individuals. U.S. individuals are individuals who are citizens of or domiciled in the USA and/or liable to tax/resident there. U.S. individuals can also be partnerships or corporations which were established under the laws of the USA and/or any Federal State, territory or a possession of the United States. In cases where the Company obtains knowledge of the fact that a unit holder is a U.S. individual or holds units for the account of a U.S. individual, the Company may request immediate return of the units to the Company at the value last determined.

This prospectus must not be distributed in the United States of America or to U.S. individuals.

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## Main legal effects of the contractual relationship

Due to the acquisition of the units, the investor becomes a pro-rata co-owner of the assets held by **Data Intelligence Fund**. He or she may not dispose of the assets. No voting rights are attached to the units.

All publications and advertising brochures must be drafted in German or provided with a German translation. Moreover, **Ampega Investment GmbH** shall conduct the entire communication with their investors in German.

### Enforcement of rights

The legal relationship between **Ampega Investment GmbH** and the investor as well as the pre-contractual relationships are governed by German law. The domicile of **Ampega Investment GmbH** is the place of jurisdiction for actions of the investor against the management company arising from the contractual relationship. Investors who are consumers (see the definition below) and reside in another EU country may also take legal action before a competent court at their place of residence. The enforcement of court judgments is governed by the Code of Civil Procedure (Zivilprozessordnung, ZPO), if necessary, by the Law on Compulsory Sale of Real Property (Gesetz über die Zwangsversteigerung und die Zwangsverwaltung) or the Insolvency Code (Insolvenzordnung, InsO). Since Ampega Investment GmbH is subject to German law, it is not necessary to recognise German judgments before they are enforced. In order to enforce their rights, investors may have recourse to law before courts of ordinary jurisdiction or, if available, also pursue an alternative dispute resolution procedure.

In case of any disputes, consumers might have recourse to the “ombudsman service for investment funds” of BVI Bundesverband Investment und Asset Management e.V. (Federal Investment and Asset Management Association) as competent consumer arbitration board. Ampega Investment GmbH and its funds participate in dispute settlement procedures before this arbitration board.

The contact data of the “ombudsman service for investment funds” is as follows:

Office of the ombudsman service of BVI  
 Bundesverband Investment und Asset Management e.V.  
 Unter den Linden 42  
 D-10117 Berlin  
 Germany  
 Phone: +49 (30) 6449046-0  
 Fax: +49 (30) 6449046-29  
 Email: [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 Fund for a purpose which, for the most part, cannot be attributed to their commercial or self-employed occupational activity, i.e. which are for private purposes.

In case of disputes arising from the application of the provisions set out in the German Civil Code (Bürgerliches Gesetzbuch, BGB) that relate to distance contracts on financial services, the parties concerned may also contact the arbitration body of the German Central Bank. The right to have recourse to the courts remains unaffected hereof.

The contact data is as follows:  
 German Central Bank  
 Arbitration body  
 P.O. Box 11 12 32  
 D-60047 Frankfurt  
 Email: [schlichtung@bundesbank.de](mailto:schlichtung@bundesbank.de)  
[www.bundesbank.de](http://www.bundesbank.de)

For disputes relating to sales contracts or service contracts that have been brought about electronically, consumers may also contact the EU’s online dispute resolution platform ([www.ec.europa.eu/consumers/odr](http://www.ec.europa.eu/consumers/odr)). The following email address may be indicated as contact address of the management company: [fonds@talanx.com](mailto:fonds@talanx.com). The platform itself is not a dispute resolution body, but only arranges contact with a competent national arbitration board.

The right to have recourse to the court remains unaffected by a dispute resolution procedure.

## Fundamentals

### The Fund

The **Data Intelligence Fund** (hereinafter referred to as the “Fund”) is an undertaking for collective investment that collects capital from a number of investors to invest it in accordance with a defined investment strategy for the benefit of such investors (hereinafter referred to as the “Investment Fund”). The Fund is an investment fund pursuant to Directive 2009/65/EC on the coordination of legal administrative provisions (hereinafter referred to as the “UCITS Directive”) of the European Parliament and Council dated 13 July 2009 that refers to certain undertakings for collective investment in transferable securities (UCITS) within the meaning of the German Capital Investment Code (Kapitalanlagegesetzbuch, KAGB). It is managed by **Ampega Investment GmbH** – hereinafter referred to as the “Company”. The **Data Intelligence Fund** was established for an indefinite period on 8 November 2018.

The Company invests the capital deposited with it in its own name for joint account of the investors in accordance with the principle of risk diversification in the assets permitted by the Capital Investment Code and separated from its own assets in the form of funds. The purpose of the Fund is limited to investing in accordance with a defined investment strategy within the framework of collective asset management by means of the funds invested with it; an operational activity and an active corporate management of the assets held are excluded.

The Capital Investment Code and the associated subordinate legislation as well as the German Investment Tax Act (Investmentsteuergesetz, InvStG) and the Terms and Conditions of Investment where the legal relationship between the investors and the Company is stipulated provide in which assets the Company may invest the investors’ money in compliance with which provisions. The Terms and Conditions of Investment comprise a general and a special part (“General Terms and Conditions of Investment” and “Special Terms and Conditions of Investment”). The use of Terms and Conditions of Investment for a fund is subject to permission by the Bundesanstalt für Finanzdienstleistungsaufsicht (“BaFin”) [German Federal Financial Supervisory Authority]. The Fund does not belong to the Company’s insolvency estate.

### Sales documents and disclosure of information

The sales prospectus, the key investor information, the Terms and Conditions of Investment as well as the current annual and semi-annual reports are available at the Company free of charge. Moreover, the current versions of such documents can be retrieved in electronic form on the homepage of the Company ([www.ampega.com](http://www.ampega.com)).

Moreover, the Company provides information on the investment limits of the risk management related to the Fund, the methods of risk management and the most recent development of risks and yields of the most important categories of assets of the funds.

### Terms and Conditions of Investment and their amendment

The Terms and Conditions of Investment are printed subsequent to this sales prospectus. The Terms and Conditions of Investment may be amended by the Company. Amendments to the Terms and Conditions of Investment are subject to approval by the German Federal Financial Supervisory Authority. Amendments to the investment principles are additionally subject to approval by the Supervisory Board of the Company. Amendments to the investment principles of the Fund are admissible solely with the proviso that the Company offers the investors to either redeem their units free of charge before the amendments take effect or to exchange their units free of charge for units in investment funds with comparable investment principles insofar as such funds are managed by the Company or any other company of its Group.

The intended amendments are announced in the Federal Gazette and, in addition, on **the Internet** on the homepage of the Company ([www.ampega.com](http://www.ampega.com)). If the amendments affect remunerations and reimbursements of expenses that may be withdrawn from the Fund, or the investment principles of the Fund or essential investor rights, the investors are, in addition, informed hereon by their custodian banks via a medium on which information is stored, open to view and presented unchanged for a period appropriate for the purposes of such information in hard copy or in electronic form (so-called “permanent data carrier”). The information comprises the essential contents of the intended amendments, the relevant rea-

sons, the rights of the investors arising in connection with the amendment as well as information as to where and how further information can be obtained.

The amendments take effect on the day that follows their announcement at the earliest. Amendments to provisions pertaining to the remunerations and reimbursement of expenses take effect three months after their announcement at the earliest unless an earlier date has been determined with the approval of the German Federal Financial Supervisory Authority. Amendments to the previous investment principles of the Fund also take effect three months after their announcement at the earliest.

## Management company

### Firm, legal structure and registered office

The Company is an investment management company within the meaning of the German Capital Investment Code and with the legal form of a limited-liability company (Gesellschaft mit beschränkter Haftung, GmbH) that was established on 28 December 1967. The name of the Company is Ampega Investment GmbH. The Company has its registered office at Charles-de-Gaulle-Platz 1, 50679 Cologne, Germany.

Since 22 January 1968, the Company has been licensed to manage securities funds and special funds. In addition, it has been licensed to manage money market, investment fund unit and pension funds since 22 September 1998 and real estate and mixed securities and real estate funds since 6 December 2001. Following the changeover of its operating license to the outline conditions set out in the German Investment Act (Investmentgesetz, InvG) as of 1 January 2006, the Company has been licensed to manage Directive-compliant funds, real estate funds, mixed funds and pension funds within the meaning of InvG. Since 5 June 2012, the Company has held a full license within the meaning of InvG. It was thus licensed to manage all of the fund types stipulated in the German Investment Act (domestic investment funds and also EU investment funds).

The Company was thus licensed as management company under the German Investment Act; it is thus considered to have been issued a license under the German Capital Investment Code as a UCITS management company. In addition, the Ger-

man Federal Financial Supervisory Authority issued the Company with a license to manage alternative investment funds (AIF) under the German Capital Investment Code on 24 July 2014. The Company is thus licensed as an external UCITS management company and as an external AIF management company under the German Capital Investment Code. It is permitted to manage the following types of investment fund: UCITS funds, mixed investment funds, other investment funds, real estate funds, open-end domestic special AIF with fixed terms of investment which invest in specific types of assets (section 284 (1) and (2) KAGB), general open-end domestic special AIF - with the exception of hedge funds - which invest in specific types of assets (section 284 (1) and (2) KAGB). The Company thus also pursues collective asset management for EU UCITS, EU AIF and foreign assets which are analogous to domestic investment funds. The Company may also manage individual assets invested in financial instruments within the meaning of section 1 (11) of the German Banking Act (Kreditwesengesetz, KWG) on behalf of other investors, with its own discretionary powers, including portfolio management for third-party investment funds.

### Management and Supervisory Board

Detailed information on the management and the composition of the Supervisory Board is provided at the end of the sales prospectus.

### Equity and additional own resources

The Company has a share capital and thus liable funds in the amount of EUR6m.

The Company has covered the professional liability risks that arise from the management of investment funds and are not in accordance with the UCITS Directive, i.e. so-called alternative investment funds ("AIF"), and professional negligence of its bodies or employees by: own resources at a minimum rate of 0.01 per cent of the value of the portfolio of all managed AIFs whereas this amount shall be reviewed and adjusted on an annual basis. These own resources are included in the liable funds stated above.

# Custodian

## Identity of the custodian

Hauck & Aufhäuser Privatbankiers AG with registered office at Kaiserstr. 24, 60311 in Frankfurt am Main, Germany, assumed the function as custodian for the **Data Intelligence Fund**. The custodian is a credit institution under German law.

## Custodial functions

The Capital Investment Code provides for a separation of management and custody of funds. The custodian holds the assets in custody on blocked custody accounts or on blocked accounts respectively. For assets that cannot be held in custody, the custodian checks if the management company has acquired title to these assets. It controls whether the disposal of the assets on the part of the Company is in accordance with the Capital Investment Code and the Terms and Conditions of Investment. The investment of assets in bank deposits held with another financial institution as well as disposing of such bank deposits require approval by the custodian. The custodian must give its approval if the investment or disposal is compatible with the Terms and Conditions of Investment and the provisions set out in the Capital Investment Code.

In addition, the following duties are particularly incumbent on the custodian:

- issue and redemption of the units of the Fund,
- ensure that the issue and redemption of the units as well as the determination of the unit value are in accordance with the provisions set out in the Capital Investment Code and the Terms and Conditions of Investment of the Fund,
- ensure that it obtains custody of the proceeds of business transactions entered into for joint account of the investors within the usual time limits,
- ensure that the proceeds of the Fund are used in accordance with the provisions set out in the Capital Investment Code and the Terms and Conditions of Investment,
- monitor borrowings by the Company for account of the Fund and approve the borrowing, if required,
- ensure that collateral for loans on securities is provided in a legally effective manner and available at any time.

## Conflicts of interests

The custodian acts independently, honestly, fairly and professionally in the performance of its duties and in the interest of the Fund and its investors. This obligation is reflected, in particular, in the obligation to carry out and organise activities as custodian in such a way that potential conflicts of interest are largely minimised.

The tasks of the management company and the custodian may not be performed by one and the same company.

The custodian shall not engage in any activities relating to the Fund or the management company operating on behalf of the Fund which could create a conflict of interest between the Fund, the investors of the Fund, its management company and the custodian's agents and the custodian itself. This shall not apply if there has been a functional and hierarchical separation of the performance of their duties as custodian from their potentially conflicting tasks and the potential conflicts of interest are duly identified, controlled, observed and disclosed to the investors of the Fund.

The custodian may not reuse the assets belonging to the Fund assets.

The custodian is entitled to transfer custody of custodial financial instruments to a third party ("sub-custodian") in compliance with applicable statutory provisions. The sub-custodian may in turn delegate the tasks assigned to it under the same conditions.

None of the sub-custodians specified in the list is a company affiliated with the custodian.

Potential conflicts of interest may arise if the custodian delegates individual custodial tasks or sub-custody to another outsourcing company. If this further outsourcing company is a company affiliated with the Company or the custodian (e.g. parent company), this could result in potential conflicts of interest in the interaction between this outsourcing company and the management company or the custodian (e.g. the management company or the custodian may give preference to a company affiliated with it vis-à-vis equivalent other providers in assigning custodial tasks or in choosing the sub-cus-

todian). If such or any other conflict of interest is identified in future in connection with the sub-custody, the custodian will disclose the more detailed circumstances and measures taken to prevent or minimise the conflict of interest in the document retrievable under the aforementioned link.

The management company and the custodian have appropriate and effective measures (such as procedures and organisational measures) to ensure that potential conflicts of interest are minimised to a large extent. If conflicts of interest cannot be prevented, the management company and the custodian will identify, manage, monitor and disclose these conflicts in order to avoid damaging investor interests. Compliance with these measures is monitored by an independent compliance function.

### Sub-custody

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

Equity and fixed-income securities out of all assets held for the account of the Fund are mainly held in custody by:

- Clearstream Banking S.A., Luxembourg
- Clearstream Banking AG, Frankfurt am Main
- Citibank N.A., London

as well as for German and foreign fund units mainly by:

- Clearstream Banking S.A., Luxembourg
- Clearstream Banking AG, Frankfurt am Main
- B. Metzler seel. Sohn & Co. KGaA, Frankfurt am Main
- Hauck & Aufhäuser Fund Platforms S.A., Luxembourg
- Fondsdepot Bank GmbH, Hof
- Augsburger Aktienbank AG, Augsburg

In addition, the following special safekeeping location is used:

- Standard Chartered Bank, London

According to the information provided by the custodian, this delegation currently does not result in any conflicts of interests.

### Liability of the custodian

The custodian is basically responsible for all assets which it holds in custody or which are held in custody by another agent. In case of a loss of such an asset, the custodian shall be liable to the Fund and its investors unless the loss is due to events beyond the custodian's sphere of influence. In principle, the custodian shall only be liable for any damage excluding the loss of an asset if it has failed to meet its liabilities as set out in the provisions of the Capital Investment Code at least in a negligent manner.

### Additional information

Upon request, the Company provides investors with updated information on the custodian and its duties, on the sub-custodians as well as potential conflicts of interest in connection with the activities of the custodian or sub-custodian. The Company's homepage <https://www.ampega.com/fonds/hinweise/index.html> contains further information about the sub-custodians commissioned by the custodian.

## Investment objectives and strategy, principles of investment and investment limits

### Investment objective and strategy

The **Data Intelligence Fund** is an actively managed equity fund. The investors own an interest in the assets of the Fund as co-owners in proportion to the number of units held.

The **Data Intelligence Fund** is a unit class fund, i.e. various unit classes might be offered to the investors. All issued units bear the same rights except for the differences that arise due to the establishment of the unit classes. Currently the Company has created the two different unit classes P (t) and I (t) for the Fund. Unit classes can be created for the Fund which differ in terms of the appropriation of earnings, the front-end fee, the currency of the unit value including the use of currency hedging transactions, the management fee, the custodian fee, the distribution fee, the performance fee, the minimum investment amount or a combination of such features. The cre-

ation of unit classes is admissible at any time and is within the discretion of the Company. The Company informs the investors on the creation of various unit classes on its homepage ([www.ampega.com](http://www.ampega.com)).

The Fund aims to achieve a positive return, which significantly exceeds the return of the DAX on a risk-adjusted basis over the long-term average. At the same time, the aim is not to realise any negative annual returns.

To manage the Fund, large amounts of digital data are analysed as part of a “big data” approach. Special software programs (“Artificial Intelligence”) are also used to evaluate the data volumes. Combined with other information (such as security prices), trade indicators are derived. These trade indicators form the basis of the investment decision made by the portfolio managers for the investment of the Fund.

Up to 100% of the Fund assets will be invested in liquid equities and liquid, exchange-traded derivatives. An investment in ETFs is also possible.

If deemed appropriate, it may be necessary to deviate from the allocation and risk management described above in individual cases.

The Fund does not map a securities index, nor is the Company using a fixed benchmark for the Fund. The fund management decides at its discretion actively on the selection of the assets taking into account analyses and valuations of companies as well as economic and political developments. It aims to achieve positive performance.

At least 51% of the value of the Fund will be invested in equity participations within the meaning of the investment tax law. Equity participations within this meaning are

- interests in corporations admitted for official trading on a stock exchange or admitted to or included in another organised market;
- interests in corporations domiciled in a Member State of the European Union or another contracting state to the Agreement on the European Economic Area which are subject to the taxation of revenue for corporations there and are not exempt from such taxation;
- interests in corporations domiciled in a third country which are subject to a taxation of revenue for corporations

at a rate of at least 15% there and are not exempt from such taxation;

- interests in other investment funds, either at the rate of the quota of their value published on each valuation day, at which they actually invest in the aforementioned units of corporations or in the amount of the minimum quota specified in the other investment fund’s terms of investment.

The assets admissible pursuant to the Capital Investment Code and the Terms and Conditions of Investment may be acquired for the Fund. These are, above all, securities. In addition, investments in financial instruments and bank deposits as well as other assets are possible, which are set out in the Capital Investment Code and the Terms and Conditions of Investment. Up to 100% of the Fund’s value may be invested in securities. These are essentially equities and interest-bearing securities. Up to 49% of the Fund’s value may be invested in money market instruments and 49% may be invested in bank deposits, up to 10% in investment units.

Derivatives may be used for purposes of hedging, efficient portfolio management and the generation of additional returns. The value of the maximum potential market risk amounts to 200%.

According to the present legal situation, the Company is free to change the investment policy of the Fund in compliance with the Terms and Conditions of Investment in force from time to time. The investors are informed in the annual or semi-annual report on any amendments to the investment policy that might be of a material nature.

The risks associated with the investment policy are set out in the “Risk factors - significant risks of investment in a fund” section.

The actual achievement of the goals pursued with the investment policy cannot be warranted.

## Assets

The assets admissible for the Fund described herein are limited to the assets set forth in the Special Terms and Conditions of Investment. See clause 1 of the Special Terms and Condi-



**tions of Investment as well as the description of investment limits in this sales prospectus for detailed information.**

**All assets are described below that the Company may generally acquire for UCITS funds. The representations may differ from the actually acquirable assets.**

### Securities

The Company may acquire securities of German and foreign issuers for account of UCITS funds,

1. if they are admitted for trading on a stock exchange in a Member State of the European Union ("EU") or another contracting state to the Agreement on the European Economic Area ("EEA") or are there admitted to another organised market or included in such market;
2. if they are exclusively admitted for trading on a stock exchange outside the Member States of the European Union or the contracting states to the Agreement on the European Economic Area or admitted there to another organised market or included in such market provided that that the selection of this stock exchange or this organised market is authorised by the Federal Financial Supervisory Authority.

Securities from new issues may be acquired if the admission for trading on or inclusion in any of the stock exchanges or organised markets set out under paras. 1. or 2. must be applied pursuant to the underlying conditions of issue and the securities are admitted for official trading or included in such organised markets within one year after the issue.

Securities as defined above also include

- units in closed-end funds existing in contractual form or in the form of companies that are subject to control by the unit holders (so-called corporate control), i.e. the unit holders must have voting rights with regard to material decisions and be entitled to control the investment policy by means of appropriate mechanisms. Further, the Fund needs to be managed by an entity that is subject to the investor protection provisions unless the Fund has been established in the form of a company and the assets are not managed by another entity.
- Financial instruments that are hedged by other assets or tied to the development of other assets. Insofar as components of derivatives are embedded in such financial instruments, further requirements apply to enable their purchase as securities by the Company.

The securities may only be purchased if the following conditions are fulfilled:

- The potential loss that may arise to the UCITS fund may not exceed the purchase price of the security. There may be no liability for the investor to make additional contributions over and above the initial investment.
- A lack of liquidity of the security purchased by the UCITS fund may not lead to the fact that the UCITS fund is unable to comply with the statutory requirements on the redemption of units. This applies in consideration of the statutory option to suspend the redemption of units in special cases (cf. the section "Units - issue and redemption of units as well as - suspension of redemption of units").
- A reliable valuation of the security by exact, reliable and prevailing prices must be available; they must be market prices or provided by a valuation system that is independent of the issuer of the security.
- Appropriate information on the security must be available in the form of providing regular, exact and comprehensive information to the market on the security or an associated portfolio, if any.
- The security is tradeable.
- The acquisition of the security is in line with the investment objectives and/or the investment strategy of the UCITS fund.
- The risks of the security are reasonably dealt with by the risk management of the UCITS fund.

Further, securities may be acquired in the following form:

- Shares that are due to the UCITS fund upon a capital increase from company reserves.
- Securities that are acquired in the exercise of subscription rights belonging to the UCITS fund.

Subscription rights may also be acquired as securities as defined above insofar as the underlying securities can be found in the UCITS fund.

### Money market instruments

The Company may invest in money market instruments for account of UCITS funds that are usually traded on the money market as well as in interest-bearing securities which alternatively

- have a maximum maturity respectively residual term to maturity of 397 days at the time of acquisition.

- have a term or residual term of maturity of more than 397 days and the interest payable needs to be adjusted in regular intervals, but at least once in 397 days in line with market conditions and terms and conditions of issue.
- whose risk profile corresponds to that of securities that meet the criterion of residual term to maturity or the criterion of interest adjustment.

Money market instruments may be acquired for UCITS funds:

1. if they are admitted for trading on a stock exchange in a Member State of the European Union or another contracting state to the Agreement on the European Economic Area or are there admitted to another organised European market or included in such market,
2. if they are exclusively admitted for trading on a stock exchange outside the Member States of the European Union or another contracting state to the Agreement on the European Economic Area or are there admitted to another organised market or included in such market insofar as the German Federal Financial Supervisory Authority has approved the selection of such stock exchange or market,
3. if they are issued or guaranteed by the European Communities, the German Federal Government, a special fund of the German Federal Government, a German Federal State, a Member State or other central-state, regional or local authority or the central bank of a Member State of the European Union, the European Central Bank or the European Investment Bank, a third state or, if such entity is a Federal State, a constituent state of such Federal State or an international public-law institution to which at least one Member State of the European Union belongs,
4. if they are issued by an enterprise whose securities are traded on the markets designated in nos. 1 and 2,
5. if they are issued or guaranteed by a financial institution subject to supervision in accordance with the criteria determined under European Community law or by a financial institution that is subject to and complies with supervisory regulations which, in the opinion of the Federal Financial Supervisory Authority, are equivalent to those of European Community law or
6. if they are issued by other issuers and such issuer is:
  - a) an enterprise with equity of at least EUR10m that prepares and publishes its annual accounts in accordance with the provisions of the European Directive on the annual accounts of companies limited by shares, or

- b) a legal entity which is responsible within a group of Companies encompassing one or more exchange-listed Companies for the financing of such group, or
- c) a legal entity that issues money market instruments that are backed by liabilities through the use of a credit line granted by a bank. They are products where loan claims of banks are securitised (so-called asset-backed securities).

All of the aforementioned money market instruments may only be acquired if they are liquid and if their value can be determined exactly at any time. Money market instruments that can be disposed of within a sufficiently short time at limited costs are liquid whereby account is to be taken of the Company's obligation to redeem units of the UCITS fund on the investors' request and to be able to sell such money market instruments within a correspondingly short time. Moreover, an exact and reliable valuation system must exist for the money market instruments that enables the determination of the net asset value of the money market instrument and is based on market data or valuation models (including systems that carry the amortised costs). The liquidity feature is deemed fulfilled for money market instruments if they are admitted to or included in an organised market within the European Economic Area or admitted to or included in an organised market outside the European Economic Area if the Federal Financial Supervisory Authority has approved the selection of this market. This does not apply if the Company has indications that militate against the sufficient liquidity of the money market instruments.

As regards money market instruments that are unlisted or not admitted for trading on a regulated market (see above at nos. 3 to 6), the issue or the issuer of such instruments must, in addition, be subject to provisions pertaining to deposit and investor protection. Appropriate information must be available for such money market instruments that enables an appropriate valuation of the credit risks associated with the instruments and the money market instruments must be freely transferable. The credit risks can, for instance, be valued by means of a credit review conducted by a rating agency.

In addition, the following requirements apply to such money market instruments unless they have been issued or guaranteed by the European Central Bank or the Central Bank of a Member State of the European Union:



- If they are issued or guaranteed by the following bodies (that are, amongst others, set out in no. 3 above):
  - the European Union,
  - the German Federal Government,
  - a special fund of the German Federal Government,
  - a German Federal State,
  - another Member State,
  - another central-state, regional or local authority,
  - the European Investment Bank,
  - a third state or, if the latter is a Federal State, a constituent state of such Federal State
  - an international public-law institution to which at least one Member State of the European Union belongs,
 appropriate information on the issue or the issue programme respectively or the legal and financial situation of the issuer must be available prior to the issue of the money market instrument.
- If they are issued or guaranteed by a financial institution supervised in the European Economic Area (see above at no. 5), appropriate information on the issue or the issue programme respectively or the legal and financial situation of the issuer must be available prior to the issue of the money market instrument that is updated in regular intervals and in the event of significant occurrences. Further, data (e.g. statistics) must be available on the issue or the issue programme respectively that enables an appropriate valuation of the credit risks associated with the investment.
- If they are issued by a financial institution that is subject to supervisory provisions outside the European Economic Area which, in the opinion of the Federal Financial Supervisory Authority, are equivalent to the requirements for financial institutions within the European Economic Area, either of the following conditions has to be fulfilled:
  - The financial institution is headquartered in a Member State of the Organization for Economic Cooperation and Development (“OECD”) belonging to the so-called Group of Ten (union of the major leading industrial countries - G10).
  - The financial institution has at least been rated with a grade that qualifies as a so-called “investment grade”. “Investment grade” means a rating of “BBB” or “Baa” or better pursuant to a credit review by a rating agency.
  - It can be proved by means of a thorough analysis conducted by the issuer that the supervisory provisions applicable to the financial institution are at least as strict as those set out in EU law.
- Appropriate information on the issue or the issue programme respectively as well as the legal and financial situation of the issuer must be available for the remaining money market instruments that are unlisted or not admitted for trading on a regulated market (see above at nos. 4 and 6 as well as the remaining instruments at no. 3) prior to the issue of the money market instrument that is updated in regular intervals and in the event of significant occurrences and reviewed by qualified third parties not bound by instructions given by the issuer. Further, data (e.g. statistics) must be available on the issue or the issue programme respectively that enables an appropriate valuation of the credit risks associated with the investment.

#### Bank deposits

UCITS funds may be invested as bank deposits with a term of no more than twelve months. These deposits are to be held in blocked accounts at a financial institution headquartered in a Member State of the European Union or the European Economic Area. They may also be held at a financial institution headquartered in a third state where, in the view of the Federal Financial Supervisory Authority, the regulatory provisions are equivalent to those set out in EU law.

#### Investment limits for securities and money market instruments also using derivatives as well as bank deposits

The Company may invest up to 10% of UCITS funds in securities and money market instruments of the same issuer (debtor) whereby the total value of the securities and money market instruments of such issuers (debtors) must not exceed 40% of the UCITS fund. Furthermore, the Company may invest only 5% of the Fund’s value in securities and money market instruments of the same issuer. Securities purchased under repurchase agreements are to be included in this investment limit.

The Company may invest only up to 20% of the value of UCITS funds in bank deposits at one financial institution each.

#### Investment limit for bonds with a special cover assets pool

The Company may invest up to 25% of the value of UCITS funds in mortgage debentures (Pfandbriefe), municipal bonds and in bonds issued by financial institutions headquartered in a Member State of the European Union or a state party to the Agreement on the European Economic Area if the moneys received on the issue of the bonds are invested in assets that

adequately cover the liabilities arising from them over the full term of the bonds and that are used with a priority for redemption payments and any interest that falls due should the issuer default. If the Company invests more than 5% of the value of UCITS funds in bonds of the same issuer, the total value of these bonds must not exceed 80% of the value of the UCITS fund. Securities purchased under repurchase agreements are to be included in such investment limits.

#### *Investment limits for public issuers*

The Company may invest up to 35% of the value of UCITS funds in debentures, promissory note loans and money market instruments of special public national and supranational public issuers, which include the German Federal Government, the German Federal States, Member States of the European Union or their regional or local authorities, third countries as well as supranational public-law institutions to which at least one Member State of the European Union belongs.

Securities purchased under repurchase agreements are to be included in such investment limits.

#### *Combination of investment limits*

The Company may invest a maximum of 20% of the value of UCITS funds in any combination of the following assets:

- securities and money market instruments issued by one and the same institution,
- deposits in such institution, that is, bank deposits
- amounts credited for the counterparty risk associated with the transactions entered into which such institution in derivatives, securities loans and repurchase agreements.

In the case of special public issuers (see section “Investment objectives, investment strategy, principles of investment and investment limits - investment limits for securities and money market instruments also using derivatives as well as bank deposits - investment limits for public issuers”), any combination of the assets mentioned above must not exceed 35% of the value of UCITS funds.

The respective individual limits remain unaffected.

#### *Investment limits using derivatives*

The credited amounts of securities and money market instruments of one issuer towards the aforementioned limits may be reduced by the use of standard derivatives whose underly-

ing asset consists of securities or money market instruments of the same issuer. This means that securities or money market instruments of one issuer may be acquired for the account of UCITS funds beyond the limits set out above if the increased issuer risk is reduced again by the hedging transactions.

#### **Other assets and their investment limits**

The Company may invest up to 10% of the value of UCITS funds in other assets:

- Securities that are not admitted for trading on a stock exchange or another organised market or included in such market, but basically fulfil the criteria for securities. Notwithstanding the traded and/or admitted securities, the reliable valuation for such securities must be available in the form of a valuation performance in regular intervals that is derived from information provided by the issuer or a competent financial analysis. Appropriate information on the non-admitted or non-included security or, where applicable, the pertinent, that is, the securitised portfolio must be available to the UCITS fund in the form of regular and exact information.
- Money market instruments from issuers that do not meet the requirements set out above provided they are liquid and their value can be determined exactly at any time. Money market instruments that can be disposed of within a sufficiently short time at limited costs are liquid whereby account is to be taken of the Company’s obligation to redeem units of the UCITS fund on the investors’ request and to be able to sell such money market instruments within a correspondingly short time. Moreover, an exact and reliable valuation system must exist for the money market instruments that enables the determination of the net asset value of the money market instrument and is based on market data or valuation models (including systems that carry the amortised costs). The liquidity feature is deemed fulfilled for money market instruments if they are admitted to or included in an organised market within the European Economic Area or admitted to or included in an organised market outside the European Economic Area if the Federal Financial Supervisory Authority has approved the selection of this market.
- equities from new issues if their terms of issue provide that
- their admittance for trading on a stock exchange in a Member State of the European Union or another contracting state to the Agreement on the European Economic Area or their admittance to or inclusion in an organised market in

- a Member State of the European Union or another contracting state to the Agreement on the European Economic Area has to be applied, or
- their admittance for trading on a stock exchange or admittance to or inclusion in an organised market outside the Member States of the European Union or outside the other contracting states to the Agreement on the European Economic Area has to be applied provided the selection of such stock exchange or organised market has been approved by the Federal Financial Supervisory Authority and they are admitted or included within one year after their issue.
- promissory note loans than can be assigned at least two times after acquisition of UCITS funds and have been granted by any of the following institutions:
  - a) the German Federal Government, a special fund of the German Federal Government, a Federal State, the European Communities or a Member State of the Organization for Economic Cooperation and Development,
  - b) another domestic authority or a regional government or local authority of another Member State of the European Union or another state party to the Agreement on the European Economic Area insofar as the claim can, pursuant to the ordinance on supervisory requirements for financial institutions and securities companies, be treated in the same way as a claim against the central state on whose territory the regional government or the regional or local authority is domiciled,
  - c) other entities or public-law institutions domiciled in Germany or any other Member State of the European Union or another state party to the Agreement on the European Economic Area,
  - d) enterprises that have issued securities which are admitted for trading on an organised market within the European Economic Area or on another regulated market complying with the essential requirements pertaining the regulated markets within the meaning of the ordinance pertaining to markets for financial instruments as amended, or
  - e) other debtors if an authority designated in letters a) to c) has assumed the guarantee for interest and repayment.
- interests in corporations admitted for trading on a stock exchange or admitted to another organised market or included in such market;
- interests in corporations domiciled in a Member State of the European Union or another contracting state to the Agreement on the European Economic Area and which are subject to the taxation of revenue for corporations there and are not exempt from such taxation;
- interests in corporations domiciled in a third country which are subject to a taxation of revenue for corporations at a rate of at least 15% there and are not exempt from such taxation;
- interests in other investment funds, either at the rate of the quota of their value published on each valuation day, at which they actually invest in the aforementioned units in corporations or in the amount of the minimum quota specified in the other investment fund's terms of investment.

#### Investment fund units and their investment limits

The Company may invest up to 10% of the value of the Fund in units of target funds provided they are other German and foreign open-end funds. The Company acquires units from various legislations for UCITS funds provided that no restrictions are made in the Special Terms and Conditions of Investment or in the description of the investment policy. In concrete terms, the target funds to be acquired are retail funds, which are acquired from the respective investment management company at the net asset value (NAV) or exchange-traded funds (ETFs) that are traded via a stock exchange or OTC via a market intermediary. Prior to the acquisition, a selection process is undergone, which is firmly anchored in the investment process of the Company. The analysis process contains both quantitative and qualitative elements and, following a strength/weakness analysis, culminates in a total target fund assessment. Among other things, the quantitative analysis module may include the following parameters: size of the fund, performance, cost structure, liquidity etc. The qualitative analysis examines in particular the investment philosophy, investment process and risk management. After a positive total vote, the target fund is acquired taking into account the relevant investment principles and investment limits for the fund.

Pursuant to their terms and conditions of investment, the target funds may invest up to 10% in units of other open-end

#### Fiscal investment quota for equity funds/mixed funds

At least 51% of the Fund's value are invested in equity interests within the meaning of investment tax law. To this effect, equity interests refer to

funds. In addition, the following requirements apply to units in AIFs:

- The target fund must be allowed under regulations that subject it to effective public supervision for the protection of investors and a satisfactory cooperation between BaFin and the supervisory authority governing the target fund must be sufficiently guaranteed.
- The level of protection of the investors must correspond to the level of protection of an investor in a German UCITS, particularly with regard to the separation of the management and custody of assets, for borrowing and lending as well as short sales of securities and money market instruments.
- The operations of the Fund must be the subject of annual and semi-annual reports and allow investors to form a judgment on the assets and the liabilities as well as the income and transactions in the period under review.
- The target fund must be a retail fund with an unlimited number of units where investors are entitled to surrender the units.

Only up to 20% of the value of UCITS funds may be invested in units of a single target fund. Up to 30% of the value of the Fund may be invested in AIFs.

The Company may acquire up to 25% of the issued units of another target fund for account of the Fund.

#### *Investor information upon suspension of redemption of target fund units*

Within the limits of the law, target funds may temporarily suspend the redemption of units. Then the Company cannot surrender the units in the target fund to the management company or the custodian of the target fund against payment of the redemption price (see also the “Risk factors - risks in connection with an investment in investment fund units” section). The Company’s homepage at <https://www.ampega.com/fonds/index.html> states whether and to what extent the Fund holds units in target funds that have currently suspended redemption of units.

#### **Derivatives**

**The Company may on the Fund’s behalf enter into transactions with derivatives for hedging purposes and as part of the investment strategy. This includes transactions with derivatives for efficient portfolio management and generating addi-**

**tional yields, i.e. for speculative purposes. This may increase the risk of loss in the Fund, at least temporarily.**

A derivative is an instrument whose price is dependent on the price fluctuations or price expectations of other assets (“underlying value”). The following statements relate both to derivatives as well as financial instruments with a derivative component (hereinafter jointly referred to as “derivatives”).

Through the use of derivatives the market risk of the Fund will at most double (“market risk limit”). Market risk is the risk of loss that results from fluctuations in the market value of assets held in the Fund that are attributable to changes in variable prices or market rates, such as interest rates, exchange rates, share and commodity prices or changes to the credit rating of an issuer. The Company must comply with the market risk limit at all times. By law it is required to establish the utilisation of the market risk limit every day; these stipulations result from the Ordinance on Risk Management and Risk Measurement in the Use of Derivatives, Securities Lending and Transactions Under Repurchasing Rights in Investment Funds pursuant to the Capital Investment Code (“Derivatives Ordinance”). Through the use of derivatives the market risk of the Fund will at most double (“market risk limit”). Market risk is the risk of loss that results from fluctuations in the market value of assets held in the Fund that are attributable to changes in variable prices or market rates, such as interest rates, exchange rates, share and commodity prices or changes to the credit rating of an issuer. The Company must comply with the market risk limit at all times. By law it is required to establish the utilisation of the market risk limit every day; these stipulations result from the Ordinance on Risk Management and Risk Measurement in the Use of Derivatives, Securities Lending and Transactions Under Repurchasing Rights in Investment Funds pursuant to the Capital Investment Code (“Derivatives Ordinance”).

To establish the utilisation of the market risk limit the Company uses what is termed the qualified approach as set out in the Derivatives Ordinance. The Company compares the market risk of the Fund with the market risk of a virtual comparison fund that contains no derivatives. The derivative-free reference assets are a virtual portfolio whose value always exactly corresponds to the current value of the Fund, but which does not contain any increases or hedging of the market risk by derivatives. In other respects, the composition of

the reference assets must correspond to the investment objectives and the investment policy that apply to the Fund. The derivative-free reference assets for the **Data Intelligence Fund** consists of a portfolio of German equities.

**Through the use of derivatives, the market risk potential of the Fund must not exceed twice the risk amount in relation to the market risk potential of associated derivative-free reference assets at any time.**

The market risk of the Fund and the derivative-free reference assets is determined using a suitable risk model (so-called value-at-risk method) whereby the Company records the market price risks arising from all transactions. By using the risk model, it quantifies the change in value of the assets held in the Fund over time. The so-called value at risk indicates a limit for potential losses of a portfolio between two specified points of time which is expressed in monetary units. This change in value is determined by random events, that is, the future trend of market prices and thus is not definitely predictable. The market risk to be determined can only be assessed with a sufficient degree of probability.

Provided that a suitable risk management system is maintained, the Company may invest in any derivatives for account of the Fund subject to the proviso that the derivatives are derived from assets that may be acquired for the Fund, or from the following underlying values:

- interest rates
- exchange rates
- currencies
- Sufficiently diversified financial indices that constitute an adequate reference point for the market to which they refer and are published appropriately. These particularly include options, futures and swaps as well as combinations hereof.

#### *Futures contracts*

Futures are mutually binding agreements to buy or sell a specific quantity of a specific underlying asset at a specified point in time, the maturity date, or within a specific period at a price agreed in advance. The Company may buy and sell futures contracts relating to the assets that may be contractually acquired for account of the Fund in compliance with the investment principles.

#### *Option dealings*

Options involve granting, for a fee (option premium), a third party the right to demand the delivery or receipt of assets during a specified period or at the end of a specific period at a price agreed in advance (strike price), payment of a differential amount or the acquisition of corresponding option rights. The Company may participate in options trading for account of the Fund in compliance with the investment principles.

#### *Swaps*

Swaps are exchange contracts in which the payment flows or the risks underlying the transaction are exchanged between the contracting partners. Amongst others, the Company may enter into interest swaps, currency swaps, equity swaps and credit default swaps for account of the Fund in compliance with the investment principles.

#### *Swaptions*

Swaptions are options on swaps. A swaption is the right, but not the obligation, to enter into a swap with precisely defined conditions at a specific time point or within a specific period. The principles set out in connection with option dealings apply accordingly. The Company may only enter into swaps for account of the Fund which are composed of the options and swaps described above.

#### *Credit Default Swaps*

Credit default swaps are credit derivatives that enable the amount of a potential credit default to be transferred to third parties. In return for taking on the credit default risk, the seller of the risk pays a premium to its contracting partner. In other respects, the statements relating to swaps apply accordingly.

#### *Total Return Swaps*

Total return swaps may be effected for UCITS funds. Total return swaps are derivatives in which all income and fluctuations in value of an underlying asset are exchanged at an agreed fixed interest payment. One contracting party, that is, the protection purchaser, thus transfers the entire credit and market risks from the underlying value to the other party, the security guarantor. In return, the protection purchaser pays a premium to the security guarantor.

The Company may effect total return swaps for the Fund for hedging purposes and as part of the investment strategy. Ba-

sically, all assets acquirable for the Fund may be the subject of total return swaps. Up to 100% of assets may be the subject of such transactions. The Company expects that in individual cases, no more than 50% of its assets are the subject of total return swaps. However, this is only an estimated value that can be exceeded in individual cases. Income from total return swaps - net of transaction costs - completely accrues to the Fund.

The contracting parties for total return swaps are selected according to the following criteria:

- price of the financial instrument,
- costs of execution,
- speed of execution,
- probability of execution or settlement,
- the extent and nature of the order,
- time of order,
- Other factors influencing the execution of the order (among others creditworthiness of the counterparty)

The criteria may be weighted differently depending on the type of the trading order.

#### *Securitised financial instruments*

The Company may also acquire the above financial instruments for account of UCITS funds if they are securitised. The transactions based around financial instruments may also be only partially securitised (e.g. bonds with warrants). The statements on opportunities and risks apply accordingly to such securitised financial instruments, albeit with the stipulation that, in the case of securitised financial instruments, the risk of loss is limited to the value of the security.

#### *OTC derivative transactions*

The Company may enter for account of UCITS funds both into derivative transactions that are admitted for trading on a stock exchange or are admitted to trading on or included in another organised market, as well as what are termed over-the-counter (OTC) transactions. The Company may only enter into derivative transactions that are not admitted for trading on a stock exchange or admitted for trading or included in another organised market with suitable financial institutions or financial services institutions on the basis of standardised framework agreements. In the case of derivatives that are traded off-market, the counterparty risk of a contracting party is limited to 5% of the value of the Fund. If the contracting par-

ty is a financial institution that is headquartered in the European Union, the European Economic Area or a third state subject to a corresponding level of supervision, the counterparty risk may total up to 10% of the value of the Fund. Derivatives traded off-market that are entered into with a central clearing house of a stock exchange or another organised market as counterparty are not included in the limits if the derivatives are subject to a daily valuation at market rates with a daily margin settlement. However, claims by the Fund against an intermediary shall be included in the limits even if the derivative is traded on a stock exchange or another organised market.

Counterparties with which, in principle, OTC transactions can be concluded for UCITS funds (according to the respective contractual basis):

- Australia and New Zealand Banking Group Limited
- Barclays Bank PLC
- BNP Paribas S.A.
- BNP Paribas Securities Services
- Caceis Bank GmbH
- Citigroup Global Markets Ltd, London
- Commerzbank AG
- Credit Suisse International
- Deutsche Bank AG
- DZ Bank AG
- Goldman Sachs International
- Hamburger Sparkasse
- Hauck & Aufhäuser Privatbankiers AG
- HSBC Bank plc
- HSBC Düsseldorf
- J.P. Morgan Securities Ltd.
- Joh. Berenberg, Gossler & Co.KG
- Kreissparkasse Köln
- Landesbank Baden-Württemberg
- Merrill Lynch International
- NATIXIS Deutschland
- Raiffeisen Bank International AG
- Sal. Oppenheim jr. & Cie. KGaA
- Skandinaviska Enskilda Banken AB
- Societe Generale Securities Services
- Südwestbank
- UBS AG
- UBS Europe SE
- UniCredit Bank AG



### Lending operations

The Fund securities, money market instruments and investment units may be loaned to third parties for a fee in line with market conditions. The contracting parties for lending operations are selected according to the following criteria:

- price of the financial instrument,
- costs of execution,
- speed of execution,
- probability of execution or settlement,
- the extent and nature of the order,
- time of order,
- Other factors influencing the execution of the order (among others creditworthiness of the counterparty)

The criteria may be weighted differently depending on the type of the trading order. The entire securities, money market instrument and investment unit portfolio of the Fund can hereby be transferred to third parties as loan on securities for an indefinite period. The Company expects that, as a rule, no more than 50% of fund assets are subject to lending transactions. However, this is only an estimated value that may be exceeded in individual cases. The Company has the right to terminate the lending transaction at any time. It shall be agreed contractually that securities of the same type, quality and amount are to be retransferred to the Fund on expiry of the lending transaction within the customary transaction period. The prerequisite for the transfer by way of loan is that adequate security is granted to the Fund. For this purpose credit balances may be assigned, as may securities or money market instruments. The returns from the investment of the securities shall accrue to the Fund.

The borrower shall further be required to pay to the custodian bank the interest accruing on the securities, money market instruments or investment units loaned as it falls due for account of the Fund. The total of all securities transferred to a borrower may not exceed 10% of the value of the Fund.

The manner of custody of the loaned assets is in the discretion of the borrower.

The Company may involve an organised system for providing and handling securities loans. When providing and handling securities loans through the organised system, the provision of collateral may be waived as the safeguarding of the investors' interests is ensured by the system terms. In settlement of

securities loans through organised systems, the securities transferred to a borrower may exceed 10% of the Fund's value.

The loan transactions described here are effected to provide the Fund with additional income through the fee to be paid by the borrower. The securities loans transactions are carried out by the Company itself without the involvement of external service providers.

The Company may not make cash loans to third parties for account of the Fund.

### Repurchase agreements

The Company may enter into securities repurchase agreements with financial institutions and financial services institutions with a maximum term of twelve months for account of the Fund whereby it may transfer securities, money market instruments or investment units of the Fund to a cash lender (simple repurchase agreement) and securities, money market instruments or investment units in compliance with the investment limits in force from time to time (reverse repurchase agreement). The Fund's entire portfolio of securities, money market instruments and investment units may be transferred to third parties on a repurchase agreement. The Company expects that, as a rule, no more than 50% of fund assets are subject to repurchase transactions. However, this is only an estimated value that can be exceeded in individual cases. The Company is able to terminate the repurchase agreement at any time; this does not apply to repurchase agreements having a term of up to one week. If a repurchase agreement is terminated, the Company is entitled to claim back the securities, money market instruments or investment units sold under the repurchase agreement. The termination of a reverse repurchase agreement may either result in a reimbursement of the full sum of money or the accrued sum of money that amounts to the current market value. Repurchase transactions are only permissible in the form of "genuine" repurchase agreements. The transferee takes on the obligation to retransfer the securities, money market instruments or investment units at a specified point in time or at a point to be specified by the transferor or to repay the amount including interest.

The assets held under repurchase agreements will be deposited with the custodian of the Fund in a separate deposit (blocked account). The way the custody of the assets sold un-

der repurchase agreements is in the discretion of the borrower.

Repurchase agreements are entered into to generate extra return for the Fund (reverse repurchase agreement) or to provide temporary additional liquidity in the Fund (simple repurchase agreement).

The Company will enter into the repurchase agreements without the involvement of external service providers.

## Collateral strategy

In the scope of derivatives, securities lending and repurchase transactions, the Company also accepts collateral on the Fund's account. The collateral serves to fully or partly reduce the default risk of the contract partner in these transactions.

The Company has established an internal guideline ("Collateral Policy") containing a description of the minimum requirements regarding the permissible collateral and its evaluation. Here, features such as the creditworthiness of the issuer, the term of the eligible bonds, currency and price volatility are taken into account.

### Types of permissible collateral

The Company accepts the following assets as collateral for derivative / securities lending / repurchase transactions:

- Cash in EUR
- High-quality bonds issued by the German government, a German Federal State, the European Union, a Member State of the European Union or its local authorities, another state party to the Agreement on the European Economic Area or a third country, provided they are included in the internal directive
- Government bonds from OECD countries, provided they are included in the internal directive
- Bonds from first-class issuers with adequate liquidity or listing on a regulated market of a Member State of the European Union or a stock exchange of an OECD Member Country, provided they are contained in a main index and included in the internal directive.

The collateral provided by a contracting party must, inter alia, be subject to appropriate risk diversification with respect to

issuers. If several contracting parties provide securities of the same issuer, they are to be aggregated. If the value of the securities provided by one or more contracting parties of the same issuer does not exceed not 20% of the Fund's value, diversification is considered appropriate. Diversification is also adequate if this limit is exceeded, if the Fund, in this respect, is only granted securities or money market instruments of the following issuers or guarantors:

Securities or money market instruments of the German Federal Government, a German Federal State, another Member State of the European Union or its regional or local authorities, another State party to the Agreement on the European Economic Area or regional or local authorities of that State, a third country or an international organisation to which the German Federal Government, another Member State of the European Union or any other party to the Agreement on the European Economic Area belongs.

If all securities provided consist of securities or money market instruments of such issuer or guarantor, these securities must have been issued within the framework of at least six different issues. The value of the securities or money market instruments issued as part of the same issue must not exceed 30% of the Fund's value.

### Scope of collateralisation

Securities lending transactions shall be collateralised in full. The market value of the securities transferred as a loan along with the associated yields comprises the collateral value. The provision of the collateral by the borrower may not be less than the collateral value plus a standard market uplift.

Further, derivatives, securities lending and repurchase transactions must be collateralised to a level that ensures that the attributable amount for the default risk of the respective contract partner does not exceed five percent of the value of the Fund. If the contract partner is a financial institution headquartered in a Member State of the EU or another state party to the Agreement on the EEA or in a third state in which equivalent supervisory provisions apply, the attributable amount for the default risk may be ten percent of the value of the Fund.



### Evaluation of collateral and strategy for valuation write-downs (haircut strategy)

Haircuts refer to write-downs to the current market value of the collateral. The haircuts to be used are based on internal guidelines of the management company regarding the collateral strategy in the transaction with OTC derivatives and securities loans. The strategy takes into account features such as the credit rating of the issuer, the term of the permissible loans, the currency and the price volatility. No haircut is applied to cash collateral.

As the residual maturity increases, larger haircuts are applied to the market value of the collateral securities:

Residual maturity	Securities deduction
Up to 1 year	2 to 3%
2 to 5 years	3 to 4%
5 to 10 years	5 to 8%
10 to 30 years	10 to 20%
More than 30 years	Not admissible as security

The hedged items and collateral received are subject to a daily market valuation and a daily margin settlement if the minimum transfer amounts of EUR250,000 agreed with the counterparties are exceeded.

Irrespective of the quality of the collateral furnished or, in the case of re-investments, of the assets purchased, the Fund is exposed to a risk of loss if the price of the collateral fluctuates more widely than was assumed when the haircut was fixed or the issuer or counterparty of the collateral received becomes insolvent.

### Investment of cash collateral

Cash collateral in the form of bank balances may be held in blocked accounts at the custodian institution of the Fund or, with its consent, at a different financial institution. Reinvestment may only be made in high-quality government bonds or in money market funds with a short term structure. Additionally, cash collateral may be invested in a reverse transaction under repurchase agreements with a financial institution, provided the return of the accumulated credit is guaranteed at any time.

### Custody of securities as collateral

The Company may accept securities as collateral under derivatives, securities lending and repurchase agreements for ac-

count of UCITS funds. If these securities were transferred as collateral, they must be held in custody with the custodian. If the Company has obtained the securities under derivatives transactions pledged as collateral, they can also be kept in custody with another body that is subject to effective public supervision and independent of person providing security. Re-use of the securities is not permitted.

### Borrowing

The raising of short-term credit for the collective account of the investors is permitted up to 10% of the value of the Fund, provided the loan is made on standard market terms and the custodian institution approves the borrowing.

### Leverage

Leverage refers to each method by which the Company increases the investment level of the Fund. Such methods particularly include borrowing, the entry into securities lending or repurchase agreements as well as the acquisition of derivatives with embedded leveraged finance. The Company may use such methods for the Fund in the scope described in this prospectus. The option of using derivatives and entering into securities lending transactions and repurchase agreements is described in the section "Investment objectives, investment strategy, principles of investment and investment limits - assets - derivatives or securities lending transactions and repurchase agreements". The option for taking on loans is explained in the section "Investment objectives, investment strategy, principles of investment and investment limits - borrowing".

Through the application of the methods described above, the Company may at most double the market risk of the Fund ("market risk limit", cf. section "Investment objectives, investment strategy, principles of investment and investment limits - assets - derivatives"). Short-term borrowing is not taken into account in the calculation of this limit. It limits the use of leverage in the Fund.

Additionally, pursuant to section 35 (6) of the Derivatives Ordinance, the Company calculates the leverage by dividing the overall exposure of the Fund by its net asset value. The total exposure of the Fund is calculated by adding the net asset

value of the Fund to all nominal amounts of the derivative transactions used in the Fund.

The leverage of the Fund is calculated as the ratio between the risk of the Fund and its net asset value. The calculation of the net asset value is explained in the section “Units”, sub-section “Issue price and redemption price”. The risk of the Fund is calculated using a gross method. It is the sum of the absolute values of all positions of the Fund, except bank deposits, which are valued according to legal requirements. It is not permitted to offset individual derivative transactions or securities positions (i.e. no consideration of so-called netting and hedging agreements). Any effects from the reinvestment of collateral in securities lending and transactions and repurchase agreements are taken into account here. The Company expects that the risk of the Fund, as calculated by the gross method, will not exceed its net asset value by more than three times. However, depending on market conditions, leverage may fluctuate so that, despite continued monitoring by the Company, the targeted level may be exceeded.

## Valuation

### General rules for valuing assets

#### Assets admitted for trading on a stock exchange / traded on an organised market

Assets that are admitted for trading on stock exchanges or are admitted to or included in another organised market and subscription rights for the Fund shall be valued at the last available tradeable price that permits a reliable valuation, unless contrary provisions are made in the section “Special valuation rules relating to individual assets”.

#### Assets not listed on stock exchanges or traded on organised markets or assets without a tradeable price

Assets that are neither admitted for trading on stock exchanges nor are admitted to or included in another organised market, or for which no tradeable price is available, shall be valued at the current market value that is appropriate on careful assessment using suitable valuation models and taking current market conditions into account, unless contrary provisions are made in the section “Special valuation rules relating to individual assets”.

### Special valuation rules relating to individual assets

#### Unlisted bonds and promissory note loans

Bonds that are not admitted to a stock exchange or admitted to or included in an organised market (e.g. unlisted bonds, commercial papers and certificates of deposit) and promissory note loans are valued using the prices agreed for comparable bonds and promissory note loans, and if required the market values of bonds from comparable issuers with a corresponding term and interest rate, where relevant with a discount to account for the lower saleability.

#### Option rights and futures contracts

The option rights and liabilities belonging to the Fund that arise from option rights granted to a third party that are admitted for trading on a stock exchange or another organised market or are included in such market are valued at the last available tradeable price that enables a reliable evaluation.

The same applies to receivables and liabilities arising from futures contracts sold for account of the Fund. Margins deposited on behalf of the Fund are counted towards the value of the Fund taking into account the valuation gains and losses determined on the trading day.

#### Bank deposits, fixed deposits, investment fund units and loans

Bank deposits are always valued at their nominal value plus interest accrued.

Fixed deposits are valued at the market value provided the fixed deposit can be terminated at any time and repayment on termination is not at the nominal value plus interest.

Units in investment funds are always valued at their last determined redemption price or at the last tradeable price that permits a reliable valuation. If these values are not available, units in investment funds are valued at the current market value that is appropriate based on careful assessment using suitable valuation models taking into account current market conditions.

The market value from time to time of assets transferred by way of loan shall be material for repayment claims from lending transactions.

### Assets denominated in foreign currencies

Assets denominated in foreign currencies are translated into euros on the basis of the relevant exchange rate of the previous day. The relevant exchange rate used is the 4:00 p.m. fixing (London time).

## Sub-funds

The Fund is not a sub-fund in an umbrella construction.

## Risk factors

**Before taking the decision to buy units in the Fund, investors should carefully read the following risk factors along with the other information contained in this sales prospectus and incorporate them into their investment decision. The occurrence of one or more of these risks may in itself or in conjunction with other circumstances have a negative impact on the performance of the Fund or the assets held in the Fund and therefore also negatively affect the unit value.**

**If the investor sells Fund units at a point at which the price of the assets included in the Fund is less than the price at the point at which they were acquired, the investor would not recoup the money invested in the Fund at all or in full. The investor could lose its capital invested in the Fund in part or in full. Increases in value cannot be guaranteed. The investor's risk is limited to the sum invested. There is no liability for the investor to make additional contributions over and above the initial investment.**

**Alongside the risks and uncertainties described below or elsewhere in the sales prospectus, the performance of the Fund may be compromised by various other risks and uncertainties that are not currently known. The order in which the following risks are listed reflects neither the probability of their occurrence nor the scope nor significance of individual risks occurring.**

### Risks of investment in a fund

The risks that are typically associated with investing in a UCITS are set out below. These risks may have a negative effect on

the unit value, on the capital invested by the investor and the investor's planned holding period of the fund investment.

### Fluctuation of the fund unit value

The fund unit value is calculated from the value of the Fund divided by the number of units put into circulation. The value of the Fund corresponds to the sum of all market values of all assets in the Fund less the sum of the market values of all liabilities of the Fund. The fund unit value is therefore dependent on the value of the Fund assets held in the Fund and the level of the Fund's liabilities. If the value of these assets falls or the value of the liabilities rises, the fund unit value decreases.

### Influencing individual income through tax aspects

The fiscal handling of capital gains depends on the individual circumstances of the respective investor and may be subject to change in future. Investors should contact their personal tax advisors if they have any specific questions - in particular taking account of individual tax circumstances.

### Suspension of unit redemption

The Company may temporarily suspend the redemption of units in the event of extraordinary circumstances that render such suspension necessary, taking into account the investors' interests. Extraordinary circumstances in this sense may include economic or political crises, an unusual extent of redemption demands and the closure of stock exchanges or markets, trading restrictions or other factors that hamper determination of the unit value. In addition, the Federal Financial Supervisory Authority may order that the Company suspend redemption of the units if this is required in the interest of the investors or in the public interest. The investor may not redeem his units during this period. The unit value may also fall during a period of suspension of unit redemption, e.g. if the Company is forced to sell assets below market value during the suspension of unit redemption. On resumption of unit redemption, the unit value may be lower than prior to suspension of redemption. Without further resumption of redemption of units, a suspension may immediately be followed by a liquidation of the Fund, for example, if the Company announces the management of the Fund and then liquidates the Fund. Therefore, there is a risk for investors that it cannot realise the planned holding period and that essential parts of the capital invested are indefinitely unavailable or get lost altogether.

### Amendment of investment policy or terms and conditions of investment

The Company may amend terms and conditions of investment with the approval of the Federal Financial Supervisory Authority. This may also affect investor rights. By amending the Terms and Conditions of Investment, for example, the Company may change the investment policy of the Fund or it may increase the costs charged to the Fund. The Company may further amend the investment policy within the investment spectrum permissible at law and contractually and thus without amending the terms and conditions of investment and their approval by the Federal Financial Supervisory Authority. This may also alter the risk associated with the Fund.

### Liquidation of the Fund

The Company is entitled to terminate the management of the Fund. After terminating its management, the Company may fully liquidate the Fund. The right of disposal over the Fund shall pass to the custodian institution after a notice period of six months. The risk for investors is therefore that they may not be able to comply with the holding period. On transfer of the Fund to the custodian institution the Fund may be subject to taxes other than German income taxes. If on completion of the liquidation process the Fund units are retired from the investor's custody account, the investor may be subject to income tax.

### Transfer of all Fund assets to a different open-end fund (merger)

The Company may transfer all Fund assets to a different UCITS. In this case the investor may (i) redeem his units, (ii) retain them and become an investor in the acquiring UCITS, (iii) or exchange them for units in an open-end fund with comparable investment principles provided the Company or an affiliated company manages such an investment fund with comparable investment principles. This applies equally if the Company transfers all assets from a different open-end fund into the Fund. In the course of the transfer the investor therefore must take a new, early investment decision. Tax on gains may be due if the units are redeemed. Where units are exchanged for units in an investment fund with comparable investment principles, the investor may be subject to tax for instance if the value of the units received is higher than the old units at the point of acquisition.

### Transfer of the Fund to another management company

The Company may transfer the Fund to another management company. The Fund as well as the position of the investor therefore remain unchanged. However, as part of the transfer, the investor must decide if he considers the new management company as appropriate as the previous one. If he does not want his capital to remain invested in the Fund under a new management, he must redeem his units. Here, income taxes may accrue.

### Profitability and meeting the investment objectives of the investor

There is no guarantee that the investor will achieve his desired investment success. The unit value of the Fund may fall and result in losses to the investor. There are no guarantees from the Company or third parties in respect of a specific minimum payment commitment on redemption or of a specific level of investment success of the Fund. Thus, investors may receive an amount less than the amount initially invested. A front-end fee levied on units or a redemption fee charged on the sale of assets may also reduce or even cancel out the success of an asset over a short investment term.

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

The risks associated with investment by the Fund in individual assets are set out below. These risks may affect the performance of the Fund or the assets held in the Fund and thus have a negative impact on the unit value and the capital invested by the investor.

#### Value change risks

The assets in which the Company invests on the Fund's account are subject to risks. Losses of value may occur if the market value of the assets falls as compared to the acquisition price, or if spot and forward prices develop differently.

#### Capital market risk

The performance of financial products in terms of price or market value is dependent in particular on the performance of the capital markets, which in turn are influenced by the general state of the global economy and the economic and political outline conditions in the respective countries. Irrational factors, such as moods, opinions and rumours, may also affect

the general price development. Fluctuations of the prices or market values can also be due to changes of interest rates, exchange rates or the financial soundness of an issuer.

#### Risk of a change of share prices

Experience has shown that equities are subject to strong price fluctuations and thus to a risk of declines in prices. Such price fluctuations are particularly influenced by the development of the profits generated by the issuing company as well as the development of the industry and the entire economy. The market participants' confidence in the respective company can also be influenced by the price performance. This applies particularly to companies whose shares have been admitted for trading on the stock exchange or another organised market only for a short time. Even slight changes to forecasts might lead to strong price fluctuations there. If the portion of freely tradeable shares held by many shareholders (so-called widespread shareholdings) is small, even small buying and selling orders may have a strong impact on the market price and thus lead to higher price fluctuations.

#### Interest rate risk

Investment in fixed-interest securities runs the opportunity that the market interest rate that applies at the time a security is issued can change. If the market interest rate increases as compared to the interest rate at the point of issue, the price of the fixed-interest securities usually falls. However, if the market interest rate falls, the price of fixed-interest securities increases. This price performance leads to a situation where the current return on a fixed-interest security is about the same as the current market interest rate. However, different price fluctuations occur depending on the (residual) term of the fixed-interest security. Fixed-interest securities with short terms have lower interest rate risks than fixed-interest securities with longer terms. Conversely, fixed-interest securities with short terms produce lower returns than fixed-interest securities with longer terms. Money market instruments tend to bear lower rate risks due to their short term of a maximum of 397 days. In addition, the development of the interest rates of various interest-related financial instruments with a comparable residual term that are expressed in the same currency may vary.

#### Risk of negative credit interest

The Company invests cash of the Fund with the custodian or other banks for the account of the Fund. An interest rate is

partly agreed for these bank deposits that corresponds to the European Interbank Offered Rate (Euribor) minus an applicable margin. If the Euribor falls below the agreed margin, this leads to negative interest rates in the relevant account. Depending on the development of the interest rate policy of the European Central Bank, both short-term, medium-term and long-term bank deposits may achieve a negative interest yield.

#### Risk of a change of prices of convertible bonds and bonds with warrants

Convertible bonds and bonds with warrants give the right to convert the bond into shares or to acquire shares. Therefore, the performance of convertible bonds and bonds with warrants depends on the trend of the share price as underlying value. As a result, the performance risk of the underlying shares can also affect the performance of the convertible bond and bond with warrants. Bonds with warrants that grant the issuer the right to offer a number of shares specified in advance (reverse convertibles) to the investor instead of a repayment of the nominal value are increasingly dependent on the corresponding share price.

#### Risks associated with Derivatives trading

The Company may enter into derivative transactions for the Fund. The purchase and sale of options as well as the entering into of futures contracts or swaps are associated with the following risks:

- The use of derivatives may result in losses that are unpredictable and may even exceed the amounts used for the derivative business.
- Changes in price of the underlying asset may reduce the value of an option or future. If the value decreases, the Company may be obliged to let the acquired rights lapse. The Fund may also suffer losses due to changes in value to the asset value underlying a swap.
- The leveraging function of options can affect the value of the Fund assets more than is the case with the direct acquisition of the underlying assets. The risk of loss may be indeterminable at the point the transaction is entered into.
- There may not be a liquid secondary market for a specific instrument at a given point in time. In that case it may not be possible to neutralise (close) a position in Derivatives.
- The purchase of options runs the risk of the option not being exercised because the prices of the underlying assets do not develop as expected, meaning that the option pre-

mium paid by the Fund is forfeited. When trading in options there is a risk that the Fund is obliged to accept assets at a price higher than the market price or to supply assets at a price lower than the market price. The Fund thereby suffers a loss of the difference in price less the option premium received.

- With futures contracts there is a risk that the Company is obliged, on the Fund's account, to bear the difference between the base price used when the contract was entered into and the market price at the point the transaction is closed or falls due. The Fund would thereby incur losses. The risk of loss cannot be determined on conclusion of the futures contract.
- There are costs associated with entering into any hedging transaction (closing) that may be required.
- The forecasts made by the Company on the future development of underlying assets, interest rates, rates and foreign exchange markets may turn out to be incorrect in retrospect.
- It may not be possible to buy or sell the assets underlying the Derivatives at a favourable time or it may be necessary to buy or sell them at an unfavourable time.

The following risks may arise with off-exchange transactions (over-the-counter, OTC):

- There may not be an organised market, meaning that the Company may find it difficult or even impossible to sell the financial instruments acquired on the Fund's account.
- Depending on the individual agreement, it may be difficult, impossible or very costly to enter into an offsetting transaction (closing).

#### Risks with securities lending transactions

If the Company grants a loan over securities on the Fund's account, it transfers these to a borrower who, at the end of the transaction, transfers back securities of the same type, quantity and quality (securities lending). For the duration of the transaction the Company has no ability to dispose over the loaned securities. If the security's value falls during the transaction and the Company wishes to sell the security as a whole, it must terminate the lending transaction and await the standard settlement cycle, which may give rise to a risk of loss for the Fund.

#### Risks with repurchase transactions

If the Company sells securities under repurchase agreements, it sells them and undertakes to buy them back with an uplift at the end of the term. The repurchase price plus uplift to be paid at the end of the term by the seller is determined when the transaction is entered into. If the securities sold under repurchase agreements lose value during the term of the transaction and the Company wishes to sell them to limit losses in value, it may only do so by exercising the right of early termination. Early termination of the transaction may involve financial losses to the Fund. Further, it may also transpire that the uplift to be paid at the end of the term is higher than the yields achieved by the Company reinvesting the cash received.

If the Company buys securities under repurchase agreements, it buys these and must resell them at the end of the term. The repurchase price is determined when the transaction is entered into. The securities bought under repurchase agreements are deemed collateral for the provision of the liquidity to the contracting partner. Any increase in value of the securities will not benefit the Fund.

#### Risks connected with the receipt of collateral

The Company receives collateral for derivative, securities lending and repurchase transactions. The value of Derivatives, loaned securities or securities sold under repurchase agreements may rise. In that case the collateral furnished may not be sufficient to cover the full level of the Company's delivery or re-transfer claim vis-a-vis the counterparty.

The Company may invest cash collateral in blocked accounts, in high-quality government bonds or in money market funds with a short-term structure. The financial institution at which the bank deposits are held may fail. Bonds and money market funds may develop negatively. At the end of the transaction the invested collateral may no longer be available to the full extent although the Company, on the Fund's behalf, is required to return the amount originally granted. In that case the Company would be obliged to compensate the loss incurred.

#### Risk with securitisation positions without a retention level

The Fund may only acquire securities that securitise exposures (securitisation positions) issued after 1 January 2011 if the debtor retains at least 5 percent of the volume of the securitisation (retention level) and complies with further stipula-



tions. The Company is therefore obliged, in the interest of the investors, to initiate remedial measures if the Fund assets include securitisations that do not comply with these EU standards. As part of the remedial measures the Company may be obliged to sell such securitisation positions. Because of legal requirements for banks, fund companies and insurers, there is a risk that the Company may not be able to sell such securitisation positions held in the Fund, or may only be able to do so at a substantial discount or with a long time delay.

#### **Inflation risk**

Inflation poses a risk of devaluation for all assets. This also applies to the assets held in the Fund. The rate of inflation may lie above the growth of the Fund.

#### **Currency risk**

Fund assets may be invested in currencies other than the Fund currency. The Fund receives the returns, repayments and revenues from such investments in the other currency. If the value of this currency falls in relation to the Fund currency, the value of such investments falls, and as a consequence so does the value of the Fund assets.

#### **Concentration risk**

If there is a concentration of investment in certain assets or markets, the Fund is highly dependent on the development of these assets or markets.

#### **Risks connected with investment in investment units**

The risks posed by units in other investment funds that are acquired for the Fund ("target funds") are closely associated with the risks of the assets contained within these target funds and the investment strategies pursued by them. As the managers of the individual target funds act independently of one another, it may be the case that several target funds pursue the same or opposing investment strategies. This can compound existing risks and possible opportunities may cancel each other out. The Company is not normally able to influence the management of the target funds. There is no requirement for their investment strategies to accord with the Company's assumptions or expectations. In many cases the Company will not be aware of the current composition of the target funds at any given time. If their composition does not comply with its assumptions or expectations, it may only be able to act with a considerable delay by redeeming the target fund unit.

Open-end funds in which the Fund acquires units may further temporarily suspend redemption of the units. This would prevent the Company from selling the units in the target fund by redeeming them with the management company or custodian institution of the target fund for the redemption price.

#### **Risks relating to the investment spectrum**

In compliance with the principles of investment and the investment limits required by law and the terms and conditions of investment, which provide a very broad framework for the Fund, the actual investment policy may also aim to mainly acquire assets of e.g. only a few sectors, markets or regions/countries. This concentration on a few specific investment sectors may be associated with risks (e.g. narrowness of the market, wide fluctuation range within certain economic cycles). The annual report provides information on the terms of the investment policy retrospectively for the previous year under report.

#### **Risks of limited or increased liquidity of the Fund and risks arising in connection with increased subscriptions or redemptions (liquidity risk)**

Liquidity risk is the risk that a position in the portfolio of the investment fund cannot be sold, liquidated or closed within a sufficiently short period at limited costs and that this impairs the investment fund's ability to satisfy the requirements for satisfying the redemption demand pursuant to the Capital Investment Code or other payment obligations.

The risks that may impair the Fund's liquidity are set out below. This may result in a situation where the Fund is temporarily or permanently unable to meet its payment obligations or that the Company is temporarily or permanently unable to satisfy investors' redemption demands. The investor may not comply with the planned holding period and may not have the invested capital or parts thereof at his disposal for an indeterminate period. The realisation of the liquidity risk may further reduce the value of the Fund's assets and thus the unit value, for example if the Company is forced to sell assets for the Fund below the market value, provided this is permissible by law. If the Company is unable to meet the redemption requests of investors, this can also lead to the suspension of redemption and in extreme cases to the subsequent liquidation of the Fund.

### Risk of investing in assets

Assets that are not admitted to a stock exchange or are admitted or included in another organised market may also be acquired for the Fund. It may only be possible to sell these assets on at a substantial discount, with a time delay, or possibly not at all. Even listed assets may only be able to be sold at a substantial discount or not at all depending on the market situation, the volume, the time frame and the planned costs. Although only assets that can be liquidated at any time may be acquired for the Fund, it cannot be ruled out that these may temporarily or permanently only be saleable at a loss.

### Risk from borrowing

The Company may take out loans on the Fund's account. Loans with a variable interest rate may have a negative impact on the Fund's assets if interest rates rise. If the Company has to repay a loan and is unable to settle it through follow-up financing or liquidity available in the Fund, it may be forced to sell assets earlier or on worse terms than planned.

### Risks from increased redemptions or subscriptions

Purchase and sale orders from investors increase and decrease the liquidity of Fund assets. On balancing, the inflows and outflows may result in a net inflow or outflow of liquid funds to the Fund. This net inflow or outflow may cause the Fund manager to buy or sell assets, giving rise to transaction costs. This applies in particular if, as a result of inflows or outflows, a quota of liquid funds set by the Company for the Fund is undershot or exceeded. The transaction costs incurred are charged to the Fund and can impair the performance of the Fund. In the case of inflows, increased Fund liquidity may have a negative impact on the performance of the Fund if the Company is unable to invest the funds at adequate terms at all or at short notice.

### Risk of holidays in certain regions/countries

The investment strategy requires investments for the Funds to be made in particular in specific regions/countries. Local holidays in these regions/countries may give rise to deviations between the trading days on the stock exchanges of these regions/countries and valuation dates of the Fund. On a day that is not a valuation day the Fund may not be able to react to market developments in the regions/countries on the same day, or it may not be able to trade on the market there on a valuation day that is not a trading day in those regions/countries. This could prevent the Fund from selling assets in the

required time. This may have a negative impact on the Fund's ability to meet its redemption obligations or other payment obligations.

### Counterparty risk including credit and receivable risk

Counterparty risk is the risk of loss for an investment fund that results from the fact that the counterparty of a transaction may not be able to satisfy its obligations relating to settling payment obligations.

The risks that may arise for the Fund in the scope of a business relation with another party (known as counterparty) are set out below. There is a risk that the contract partner may no longer be able to meet its obligations. This may affect the performance of the Fund and thus also have a negative impact on the unit value and the capital invested by the investor.

The above-described risk of default by counterparties and related losses for the Fund is particularly applicable to the Fund to the extent total return swaps or other Derivatives are used for the Fund, which have a significant impact on the investment strategy.

### Counterparty risk (except for central counterparties)

The Fund may suffer losses if an issuer (hereinafter: the "Issuer") or counterparty (hereinafter: the "Counterparty") defaults against whom the Fund has claims. Issuer risk describes the effect of the specific developments at the respective Issuer that, alongside the general tendencies of the capital markets, affect the price of a security. Even where securities are carefully selected, losses arising as a result of the financial collapse of an Issuer cannot be ruled out. The counterparty risk also includes the risk of the party to a mutual contract not being able to meet its own payment obligations in full or in part (counterparty risk). This applies to all contracts that are entered into for account of the Fund.

### Risk from central Counterparty

A central Counterparty (CCP) acts for the Fund as an intermediate institution for certain transactions, in particular for transactions relating to derivative financial instruments. In this case it acts as the buyer vis-a-vis the seller and as seller vis-a-vis the buyer. A CCP hedges the risk that its business



partners are unable to render the agreed services via a range of protection mechanisms that enable it to counteract losses from the incoming transactions at any time (e.g. through collateralisation) However, despite these protective mechanisms a CCP overleverage and default cannot be ruled out, which could affect the Company's claims for the Fund. This can result in risks to the Fund.

#### Counterparty risks in transactions under repurchase agreements

If the Company sells securities under repurchase agreements on behalf of the Fund, it must be provided with sufficient collateral against the contracting party's default. In the event of a default of the contract partner during the term of the repurchase transaction, the Company has a right of sale regarding the collateral furnished. There is consequently a risk of loss for the Fund if the collateral furnished no longer adequately covers the full amount of the Company's redemption claim because of rising prices of the securities sold under the repurchase agreement.

#### Counterparty risks in security lending transactions

If the Company grants a loan over securities on the Fund's account, it needs to be given adequate collateral against the risk of default of the contract partner. The scope of the collateral must be at least the market value of the securities transferred as loaned securities. The borrower must furnish further collateral if the value of the securities provided as a loan increases, the quality of the collateral furnished decreases or its economic situation deteriorates and the collateral already furnished is insufficient. If the borrower fails to comply with this obligation to make additional contributions, there is a risk that the redemption claim is not fully collateralised if the contract partner defaults. If the collateral is held by an institution other than the Fund's custodian institution, there is a further risk that it may not be possible to sell it immediately or in full on default of the lender.

### Operational and other risks of the Fund

Operational risk is the risk of loss to an investment fund that results from inadequate internal processes and human or system error at the management company or external events and includes legal, documentation and reputation risks as

well as risks that result from the trading, settlement and valuation processes operated for an investment fund.

Below the risks that may arise for instance as a consequence of inadequate internal processes as well as human or system error at the Company or external third parties are presented. These risks may affect the performance of the Fund and thus also have a negative impact on the unit value and the capital invested by the investor.

#### Risks from criminal acts, wrongdoing or natural disasters

The Fund may become the subject of fraud or other criminal acts. It may also sustain losses as a result of misunderstandings or errors on the part of employees of the Company or external third parties or an external events such as natural disasters.

#### Country and transfer risk

There is a risk that a foreign debtor is solvent but, due to the fact that the country in which it is headquartered is unable or unwilling to effect transfers, or for other reasons it is not able to render performance on time or at all, or only in another currency. For example, payments to which the Company has a claim on the Fund's account may not be made, or may be paid in a currency that is not convertible (any longer) due to currency restrictions, or made in another currency. If the debtor pays in a different currency, this position is subject to the currency risk described above.

#### Legal and political risks

Investments may be made for the Fund in legal systems where German law does not apply or, in the case of legal disputes, the place of jurisdiction is outside Germany. Any resulting rights and duties of the Company on the Fund's account may deviate from those in Germany to the detriment of the Fund or the investor. Political or legal developments, including the modification of framework legal conditions in these legal systems, may not be identified by the Company in time or at all or may result in restrictions regarding assets that may be or already have been acquired. These consequences may also arise if the legal framework conditions for the Company and/or the management of the Fund in Germany change.

#### Change of fiscal outline conditions, fiscal risk

The brief information on tax provisions in this sales prospectus is based on the currently known legal situation. It is ad-

dressed to individuals who are subject to unlimited income tax liability or unlimited corporation tax liability in Germany. However, it cannot be guaranteed that the fiscal valuation remains unchanged by legislation, court decisions or decrees by the tax authorities.

An adjustment to an incorrect taxation basis of the Fund for previous tax years (for example due to an external tax audit), where the correction is fiscally disadvantageous for the investor, may mean that the investor is required to bear the tax burden arising from the correction for previous tax years despite not necessarily having invested in the Fund at that point. Conversely, it may be the case that certain investors do not receive the benefit of a fiscally advantageous correction for the current and previous financial years in which they participated in the Fund because they redeemed or disposed of the units before the respective correction was applied.

Further, a correction of tax details may lead to the situation that taxable income or taxable benefits are taxed in a period other than the current tax period, which has a negative impact on the investor.

#### Key staff risk

If the Fund performs particularly well over a specific period, it probably owes its success also to the aptitude of the responsible individual and thus the correct decisions by the management. However, the personnel managing the Fund may change. New decision-makers may act less successfully.

#### Custodial risk

There is a risk associated with the custody of assets, particularly overseas, that may arise from insolvency, breaches of duty of care by the custodian or force majeure.

#### Risks from trading and clearing mechanisms (settlement risk)

Where securities transactions are settled, there is a risk that a contract partner pays late or not in line with the contract or does not deliver the securities by the respective deadline. Accordingly, this settlement risk also exists in the trading of other assets for the Fund.

## Explanation of the risk profile of the Fund

The risk profile of the Fund is represented by the Company using a seven-stage scale on which funds of risk class 1 have a low risk and funds of risk class 7 have a high risk. A low risk does not mean that a fund can be categorised as “risk-free”.

The model for calculating the risk class is largely based on the past performance of the Fund, taking into account the intensity and extent of the fluctuations of the unit value in this period. Classification to a risk class cannot therefore provide any conclusions about future value increases or price falls of the Fund. An explanation of the risks in connection with the Fund can be found in the section “Risk factors”.

The classification of a fund to a specific risk class is not guaranteed and may change over time. The respective applicable risk category can be found in the latest version of the key investor information, which can be obtained via the channels described in “Sales documents and disclosure of information”.

## Increased volatility

**The Fund exhibits increased volatility as a result of its composition, that is, the unit prices may fluctuate drastically within short periods.**

## Profile of the typical investor

The Fund is aimed at all types of investors who pursue the goal of asset formation or asset optimisation. Investors should be able to bear significant fluctuations in value and significant losses, and need no guarantee that they will receive their amount invested. Investment in the **Data Intelligence Fund** is only suited to experienced investors. The investment horizon should be at least five years.

## Units

Upon the establishment of the Fund, the rights of the investors are vested solely in global certificates that are deposited with a central securities depository. The investor has no entitlement to receive individual unit certificates. Units may only be acquired subject to the condition that they are deposited with a custodian.

## Issue and redemption of units

### Issue of units

There is no limit on the number of units that may be issued. The units may be purchased from the Company. They are issued by the custodian at the subscription price that is made up of the net asset value (unit value) plus a front-end fee. The calculation of the net asset value is explained in sub-section "Subscription and redemption price" of the "Costs" section. In addition, units can be purchased through the agency of third parties which may result in additional costs. The Company reserves the right to discontinue the issue of units either temporarily or permanently in part or in full.

Holders of bearer certificates of unit class P (t) are entitled to non-recurrent investment or may enter into a savings plan through the distributors. The minimum investment sum is EUR100,000.00 for unit class I (t).

### Redemption of units

Irrespective of a minimum investment sum, the investors may request redemption of the units on each valuation day unless the Company has not temporarily suspended the redemption of units (see section "Suspension of redemption"). Redemption requests may be placed with the custodian or the Company itself. The Company is obliged to redeem the units at the redemption price in force on the valuation day that represents the unit value determined on this day less any redemption fee. Units may also be redeemed through the agency of third parties which may result in additional costs.

### Pricing for subscription and redemption of units

The Company takes account of the principle of equal treatment of all investors by ensuring that no investor gains an advantage by buying or selling units at previously known unit values. It specifies a daily order acceptance deadline. Issue and redemption orders received by the custodian or the Company until the order acceptance deadline are settled by no later than on the valuation day (= settlement day) that follows the receipt of the order at the unit value then determined. Orders received by the custodian or the Company after the order acceptance deadline are settled on the second valuation day (= settlement day) at the unit value then determined. The order acceptance deadline for this Fund is published on the Company's homepage at [www.ampega.com](http://www.ampega.com). It may be changed by the Company at any time.

Moreover, third parties, such as the custodian institution in charge of the investor, may bring about the issue or redemption of units, which may result in long settlement periods. The Company has no influence on the various settlement methods of the custodian institutions. The Company does not permit any practices relating to market timing and reserves the right to reject any subscription, redemption or conversion requests from an investor where it considers that such practices may be pursued. The Company will further implement any necessary measures to protect the Fund's investors.

### Suspension of unit redemption

**The Company may temporarily suspend the redemption of units in the event of extraordinary circumstances that render such suspension necessary, taking into account the investors' interests. Extraordinary circumstances may be for example the unscheduled closure of a stock exchange on which a substantial proportion of the Fund's securities are traded, or if the Fund's assets cannot be valued. In addition, the Federal Financial Supervisory Authority may order that the Company suspend redemption of the units if this is required in the interest of the investors or in the public interest.**

**The Company reserves the right not to redeem or exchange the units at the applicable redemption price if it has just sold assets of the respective fund, albeit in consideration of the interests of all investors. Without further resumption of re-**

demption of units, a suspension may immediately be followed by a liquidation of the Fund (please refer to the “Liquidation, transfer and merger of the Fund” section).

The Company shall notify the investors of the suspension and resumption of redemption of the units in the Federal Gazette and also on the Company’s homepage ([www.ampega.com](http://www.ampega.com)). The investors will also be notified through a permanent data carrier, e.g. in hard copy or electronically via their custodian.

## Liquidity management

The Company has set down written principles and procedures for the Fund that enable it to monitor the Fund’s liquidity risk and manage the liquidity profile of the Fund’s investments in line with the underlying liabilities of the Fund. The liquidity profile of the Fund is derived taking into account the investment strategy set out in section “Investment objectives, investment strategy, principles of investment and investment limits”.

- The Company monitors the liquidity risks that may arise at fund or asset level. It assesses the liquidity of the assets held in the Fund in relation to the Fund assets and specifies a liquidity quota for this. The liquidity assessment includes for example assumptions about the trading volume, bid-ask spreads, the complexity of the assets and the number of trading days usually required to sell the respective asset without affecting the market price. Here, too, the Company monitors investments in target funds and their redemption rates and any resulting effects on the liquidity of the Fund.
- The Company monitors the liquidity risks that can result from increased redemption demands. It forms expectations about net fund changes taking into account available information about the investor structure and empirical values of historical net fund changes. It takes into account the effects of large-scale call risks and other risks (e.g. reputation risks).
- The Company has specified adequate limits for the liquidity risks. It monitors compliance with these limits and has specified procedures in the event that the limit is or may be exceeded.
- The procedures set out by the Company provide for consistency between liquidity quota, liquidity risk limits and the anticipated net fund changes.

The Company regularly examines these principles and updates them accordingly.

The Company performs regular stress tests at least on annual basis that it can use to evaluate the liquidity risks of the Fund. The Company performs the stress tests on the basis of reliable and current quantitative or, if this is not adequate, qualitative information. This takes in investment strategies, redemption periods, payment obligations and periods within which the assets can be sold as well as information relating to general investor behaviour and market developments. The stress tests simulate any lack of liquidity of the assets in the Fund as well as the number and scope of atypical demands for unit redemptions. They cover market risks and their effects, including margin calls, calls for collateralisation or credit lines. They take account of valuation sensitivities under stress conditions. They are performed at a frequency appropriate to the type of Fund taking into account the investment strategy, the liquidity profile, the investor type and the redemption principles of the Fund.

The redemption rights under normal and exceptional circumstances as well as the suspension of redemption are set out in the section “Units - issue and redemption of units - suspension of unit redemption”. The associated risks are explained under “Risk factors - risk of investing in a fund – suspension of unit redemption” and “- risk of restricted liquidity of the Fund (liquidity risk)”.

## Stock exchanges and markets

The Company may admit the units of the Fund for trading on a stock exchange or in organised markets or other markets; to date the Company has not made use of this option. However, it cannot be ruled out that units of the Fund as described here are traded on markets without approval by the Company. Third parties can arrange for an inclusion of the units in the outside market or another over-the-counter trading.

The market price underlying trading on stock exchanges or other markets is not solely determined by the value of the assets held in the Fund, but also by supply and demand. For this reason, the market price may deviate from the unit price calculated by the Company or the custodian respectively.

## Costs

### Subscription and redemption price

The Company, under the supervision of the custodian, calculates the subscription price and redemption price for the units by determining the value of the assets belonging to the Fund on each valuation day less its liabilities (net asset value).

The division of the net asset value so determined by the number of issued unit certificates yields the unit value.

The value of the Fund units is calculated on all German trading days. The company and the custodian need not determine the value on public holidays in Germany that are trading days as well as on 24 and 31 December of each year.

Unit prices are not currently determined on New Year's Day, Good Friday, Easter Day, Easter Monday, First of May, Ascension Day, Whitsun, Whit Monday, Corpus Christi, Day of German Unity, All Saints' Day, Christmas Eve, Christmas Day, Boxing Day and New Year's Eve.

### Suspending the calculation of the subscription / redemption price

The Company may temporarily suspend the calculation of the subscription and redemption price under the same conditions as apply to the suspension of unit redemption. These are described in more detail in the section "Suspension of unit redemption".

### Front-end fee

In setting the subscription price a front-end fee is added to the unit value. The front-end fee may be up to 6.00% of the unit value, irrespective of the unit class. The Company is entitled to charge a lower front-end fee for one or more unit classes or to waive the front-end fee altogether. The front-end fee can reduce, or even wipe out, the performance in particular in the case of short-term investments. The front-end fee essentially represents remuneration for distributing the units of the Fund. The Company may pass on the front-end fee to any

distributors as remuneration for distribution services. Currently a front-end fee of 5.25% is collected for unit class P (t) and a front-end fee of 1.25% is collected for unit class I (t).

### Redemption fee

No redemption fee is charged.

If the Company sets up one or more further unit classes, the level of the respective front-end fee or redemption fee will be listed separately. The Company's homepage ([www.ampega.com](http://www.ampega.com)) contains further information about the set-up of unit classes.

### Publication of subscription and redemption prices

The subscription and redemption prices and the net asset value per unit, if required, are regularly published on the Internet on the Company's homepage ([www.ampega.com](http://www.ampega.com)).

### Costs on subscription and redemption of the units

The Company or the custodian or, for Austrian investors, the paying agent issues or redeems the units at the subscription price (unit value / unit value plus front-end fee) or redemption price (unit value / unit value less redemption fee) with no additional costs being charged.

Where units are distributed via third parties, higher costs than the subscription price may be charged. If investors return units via third parties, the latter may charge own costs upon the redemption of the units.

### Management and other costs

#### Fees payable to the Company

The Company shall receive a daily fee for managing the Fund of up to 2.00% p.a. of the value of the Fund based on the net asset value determined on each trading day. The management fee is deducted from the Fund on a monthly basis. The Company is entitled to deduct a lower, or even no, management fee for one or more unit classes. Currently a management fee of

1.88% p.a. for unit class P (t) is deducted from the Fund whereas a fee of 1.35% p.a. is deducted for unit class I (t).

#### Custodian fee

The custodian shall receive a daily fee of up to 0.07% p.a. of the value of the Fund based on the net asset value determined on each trading day, but not less than EUR400 plus VAT per month as from the second financial year and at least EUR800 plus VAT per month as from the third financial year. The custodian fee is deducted from the Fund on a monthly basis. The Company is entitled to deduct a lower fee for the custodian. Currently a custodian fee of 0.04% p.a. is deducted for both unit classes.

#### Fees payable to third parties

- a. Up to 0.05% p.a. of the value of the Fund on the basis of the net asset value determined on each trading day for legally required representatives and tax representatives. The fee is not covered by the management fee and thus charged additionally to the Fund.
- b. Up to 0.10% p.a. of the value of the Fund on the basis of the net asset value determined on each trading day for third-party fees and compensation for services that the Company uses to conclude and manage derivatives transactions and to manage collateral of such derivatives transactions. This includes, in particular, third-party services in the context of compliance with Regulation (EU) No. 648/2012 European Market Infrastructure Regulation (EMIR), including notification to trade repositories, as well as services relating to legal entity identifiers and the central clearing of OTC derivatives. The fee is not covered by the management fee and thus charged additionally to the Fund.

#### Admissible annual maximum amount

The amount that is deducted from the Fund each year for the management, the custodian fee, the costs of legally required representatives and tax representatives as well as for third-party fees and compensation for services that the Company uses to conclude and manage derivatives transactions and manage collateral of such derivatives transactions may amount to up to 2.22% of the value of the Fund calculated on the basis of the net asset value calculated on each trading day.

#### Performance fee

In addition to the fees set out above, the Company may receive per issued unit a performance fee of up to 20.00% of the amount by which the unit value at the end of a settlement period exceeds the maximum amount of the unit value at the end of the five preceding settlement periods ("high water mark"), but not more than 15.00% of the average net asset value of the Fund in the settlement period that is calculated using the values of each trading day. If there exist less than five preceding settlement periods for the Fund, all preceding settlement periods are taken into account in the calculation of the claim for remuneration. In the first settlement period after the establishment of the Fund, the high water mark shall be replaced with the unit value at the beginning of the first settlement period.

The Company is entitled to charge a lower performance fee for one or more unit classes or to waive the performance fee altogether.

The settlement period begins on 1 December and ends on 30 November of a calendar year. The first settlement period begins upon the establishment of the Fund and ends only on the second 30 November that follows its establishment.

The performance fee is determined in the settlement period on the basis of the unit value performance calculated in accordance with the BVI method.

The performance calculation in accordance with the BVI method is based on the internationally accepted "time weighted rate of return (TWR)" standard method. The calculation method measures the percentage change of the invested assets at the beginning and end of a period under review whereby distributions are notionally invested in new fund units and thus treated like accumulations. Performance is calculated on the basis of the unit values determined on each trading day. The unit value results from the determined net asset value divided by the number of issued units. The assets and earnings are added to the result and the costs of the Fund as well as any loans taken up and other liabilities are deducted.

In line with the result of a daily calculation, a provision will be made for a notionally accrued performance fee in the Fund per unit issued or a provision already posted will be reversed correspondingly. Reversed provisions accrue to the Fund. A



performance fee can only be deducted if corresponding provisions have been made.

Currently the performance fee is deducted in full.

### Expenses

In addition the following expenses may also be charged to the Fund:

- a. standard bank custody account fees and account fees, where applicable including standard costs of holding foreign possessions overseas;
- b. costs for the print and dispatch of the sales documents required by law (annual and semi-annual reports, sales prospectus, key investor information) intended for the investors;
- c. costs of publication of the annual and semi-annual reports, the subscription and redemption prices and the distributions or accumulations and the liquidation report as required;
- d. costs for the creation and use of a permanent data carrier, except in case of providing information on the merger of funds and on measures taken in connection with violations of the investment limits or calculation errors occurring upon the determination of unit values;
- e. costs of auditing the Fund by the Fund's auditor;
- f. costs of publishing the tax bases and declaration that the tax-related information has been ascertained in accordance with German tax law;
- g. costs of establishing and enforcing legal claims of the Fund by the Company for account of the Fund as well as defence of claims made against the Company at the expense of the Fund;
- h. fees and costs levied by official bodies in relation to the Fund;
- i. costs for legal and tax advice in respect of the Fund;
- j. costs as well as any payments that might accrue upon the purchase and/or use and/or specification of a comparison benchmark or financial index;
- k. costs of instructing proxies;
- l. costs of the analysis of the investment performance of the Fund by third parties;
- m. taxes payable in connection with the fees payable to the Company, the custodian and third parties and the taxes accruing in connection with the costs described above including the taxes arising in connection with the management and custody.

In addition to the aforementioned fees and expenses, the costs arising in connection with the acquisition and sale of assets are charged to the Fund (so-called transaction costs). The amount of transaction costs to be borne by the Fund depends on the number of transactions actually carried out during the financial year. This can vary greatly due to different market conditions or assessments. The transaction costs per transaction are individually agreed with the custodian. The Fund is charged the actual costs incurred.

### Special features of the acquisition of investment fund units

A management fee for the units held in target funds contained in the Fund is also charged alongside the management fee for the fund described here. If the Fund invests a significant portion of its assets in investment fund units, the operating costs for the target fund units held in the Fund are taken into account in the calculation of the total cost ratio (see section "Costs - total cost ratio").

In connection with the purchase of target fund units, the following types of fees, costs, taxes, commissions and other expenses incurred are also to be borne by the investors either indirectly or directly.

The annual and semi-annual reports set out the front-end fees and redemption fees that are charged to the Fund in the period under review for the acquisition and redemption of units in other target funds. Additionally the fee that the Fund is charged by a German or foreign company or a company in which the investment company has a material direct or indirect stake as a management fee for the target fund units contained in the Fund is set out.

## Statement of a total cost ratio

The annual report sets out the management costs incurred by the Fund and shown as the ratio of the average fund value ("total cost ratio"). This is made up of the fee for the management of the Fund, including the performance fee, the custodian fee and the additional costs payable out of the Fund (see section "Costs - management and other costs" as well as "Special features of the acquisition of investment fund units"). If the Fund invests a significant portion of its assets in other open-end funds, the total cost ratio of the target funds is additionally taken into account. Excluded are the ancillary costs

and costs incurred in the acquisition and disposal of assets (transaction costs). The total cost ratio is published in the key investor information as so-called “operating costs”.

## Different statement of costs by distributors

If the investor is advised on the acquisition of units by third parties or the latter bring about the purchase, they possibly state costs or cost ratios that do not match the cost details in this prospectus and in the key investor information and may exceed the total cost ratio described here. In particular, this may be particular due to the fact that the third party additionally takes the costs of his own activity (e.g. agency, advice or keeping custody account/s) into account. In addition, he may also charge one-off costs such as front-end fees and usually uses other calculation methods or estimates of fund-level costs, which include the transaction costs of the Fund in particular.

Deviations in the cost statement can occur both with information provided before the conclusion of contract as well as in providing regular cost information about the existing fund investment in the context of a lasting customer relationship.

## Remuneration policy

The Company has established a remuneration policy pursuant to section 37 KAGB which forms the binding framework for the remuneration policies and practices that are compatible with and conducive to sound and effective risk management. It encourages neither the assumption of risks that are inconsistent with the risk profiles or the terms and conditions of investment of the funds managed by it, nor does it prevent the Company from acting dutifully in the best interest of the Fund.

In line with statutory provisions, the remuneration policy particularly contains detailed requirements with regard to the general remuneration policies and voluntary retirement benefits and provisions for fixed and variable salaries and information about the employees involved in this remuneration policy. It also provides information on the allocation and disbursement modalities of the variable remuneration.

The remuneration policy is based on the size of the management company and the funds managed by it, the internal organisation and the nature, scope and complexity of the business done by the Company. The remuneration policy is consistent with the business strategy, objectives, values and interests of the Company and the funds managed by it as well as the investors of such funds. It also includes measures to avoid conflicts of interest.

Information on the Company's current remuneration policy is published online at <https://www.ampega.com/fonds/hinweise/index.html> (in German). It includes a description of the methods for calculating remuneration and benefits to certain groups of employees and details of the persons responsible for the allocation. The Company provides the information free-of-charge in hardcopy upon request.

## Fair treatment of investors and unit classes

All issued units of one unit class have the same features. Currently the Company has created the unit classes P (t) and I (t) for the Data Intelligence Fund. Units with different features may be created and such units issued at the Company's discretion. In these cases units with the same features respectively form a unit class. The Company's homepage ([www.ampega.com](http://www.ampega.com)) contains further information for investors about the creation of different unit classes.

The Company must treat the investors of the Fund fairly. In controlling the liquidity risk and redeeming the units, it must not put the interests of an investor or a group of investors above the interests of another investor or another group of investors.

For procedures by means of which the Company ensures the fair treatment of investors, see sections “Settlement on the issue and redemption of units” as well as “Liquidity management”.



## Calculation of income, income equalisation procedure

The Fund realises income from the interest, dividends and income from investment units that have accrued during a financial year and not been used to cover the costs. Income from loan and repurchase transactions is added. Further income may result from a sale of assets held for account of the Fund.

The Company operates income equalisation for the Fund. This prevents a variation of the portion of distributable income in the unit price as a result of cash inflows and outflows. Otherwise any cash inflow in the Fund during the financial year would result in the fact that less income is available for distribution per unit on the distribution dates as would be the case at a constant number of units in circulation. On the other hand, outflows would result in the fact that more income would be available for distribution per unit as would be the case at a constant number of units in circulation.

To prevent this, the distributable income to be paid by the unit buyer as part of the issue price and obtained by the seller of units as part of the redemption price is continuously calculated and reported as a distributable item in the income statement during the financial year. The fact that investors who, for instance, acquire units shortly before the distribution date are given back the part of the subscription price attributable to income in the form of a distribution, although the capital they paid in has not contributed to the generation of income is taken into account.

In the case of accumulating funds, income equalisation means that the income per unit shown in the annual report is not affected by the number of units in circulation.

## Performance, calculation and appropriation of income, financial year

The performance of the Fund is published on the Company's homepage ([www.ampega.com](http://www.ampega.com)), including an appropriate graphic form.

The historical performance of the Fund is no guarantee for its future performance.

### Appropriation of income and financial year

The financial year of the **Data Intelligence Fund** begins on 1 November and ends on 31 October of each year.

Income is not distributed in the Data Intelligence Fund, but instead reinvested in the Fund (accumulation).

If a distributing unit class were to be set up, the unitholders are notified hereof on the Company's homepage ([www.ampega.com](http://www.ampega.com)).

## Liquidation, transfer and merger of the Fund

### Prerequisites of a liquidation of the Fund

The investors are not entitled to demand liquidation of the Fund. However, the Company may terminate its right to manage the Fund subject to a notice period of at least six months via a notice in the electronic Federal Gazette and additionally in the annual report or semi-annual report. Investors will also be informed by their custodians about the termination by durable medium, such as in paper or electronic form. The right of the Company to manage the Fund shall lapse on the date on which the termination becomes effective.

Further, the right of the Company to manage the Fund shall lapse if insolvency proceedings are initiated against the Fund's assets or when the court judgment via which the initiation of the insolvency proceedings is rejected for lack of assets takes effect.

Upon the lapse of the Company's right to manage the Fund, the right of disposition shall pass to the custodian that liquidates the Fund and distributes the proceeds to the investors, or transfers the management to a different investment company with the approval of the Federal Financial Supervisory Authority.

## Procedure on liquidation of the Fund

Once the right to manage the Fund has been transferred to the custodian, the issue and redemption of units is discontinued and the Fund is liquidated.

The income from the disposal of the assets of the Fund less the costs still payable by the Fund and the costs incurred due to the liquidation shall be distributed to the investors, whereby these are entitled to payment of the liquidation funds proportionate to their respective units in the Fund.

The Company shall produce a liquidation report that complies with the requirements of an annual report for the date on which its right to manage the Fund lapses. The liquidation report shall be published in the electronic Federal Gazette no later than three months after the liquidation date. For such time as it liquidates the Fund, the custodian bank shall produce a report annually as well as for the day on which its liquidation of the fund comes to an end that complies with the requirements of an annual report. These reports shall also be published in the electronic Federal Gazette no later than three months after the key date.

## Transfer of the Fund

The Company may transfer the Fund to another management company. The transfer requires the prior approval of the Federal Financial Supervisory Authority. The approved transfer is published in the Federal Gazette and also in the annual report or semi-annual report of the Fund. In addition, investors will also be informed about the planned transfer by their custodians by durable medium, such as paper or electronic form. The date on which the transfer takes effect shall be governed by the contractual agreements between the Company and the receiving management company. The transfer may take effect no earlier than three months after its publication in the Federal Gazette. All rights and duties of the Company in respect of the Fund then pass to the receiving management company.

## Prerequisites of a merger of the Fund

All assets of this Fund may be transferred with the consent of the Federal Financial Supervisory Authority to another exist-

ing fund or a new fund established through the merger that has to satisfy the requirements of a UCITS established in Germany or another EU or EEA Member State.

The transfer takes effect at the end of the financial year of the transferring fund (transfer date) unless no other transfer date is specified.

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

The investors shall either have the option to redeem their units with no further costs, except for the costs arising for a covering of the liquidation of the Fund or to exchange their units for units of a different open-end fund that is also managed by the Company or a company of the same group and has a similar investment policy as the Fund up to five working days before the planned transfer date.

The Company has to inform the investors of the Fund about the reasons for the merger, the potential impact on investors, their rights in connection with the merger as well as relevant procedural aspects before the planned transfer date by durable medium, such as paper or electronic form. Investors also have to be submitted the key investor information for the fund to which the assets of the Fund are transferred. Investors must receive the aforementioned information at least 30 days before the deadline for the return or exchange of their units.

The net asset values of the fund effecting the takeover or transfer shall be calculated, the exchange ratio determined and the entire transaction audited on the transfer date. The exchange ratio is calculated based on the proportion of the net asset values of the transferred and acquiring fund at the point of the transfer. The investor shall receive the number of units in the new fund that corresponds to his units in the fund being transferred.

If the Investors do not make use of their right to redeem or exchange the units, they become investors of the fund effecting the takeover on the transfer date. Where appropriate, the Company may also determine with the managing company of the fund effecting the takeover that investors in the fund being transferred have up to 10% of the value of their units paid out in cash. The Fund is liquidated upon the transfer of all as-

sets. If the transfer takes place during the financial year of the fund to be transferred, the Company must produce a report for the transfer date that complies with the requirements of an annual report.

The Company shall make an announcement in the Federal Gazette as well as in the electronic information media specified in this sales prospectus once the fund has been merged on another investment fund managed by the Company and the merger has taken effect. If the fund is merged on another investment fund that is not managed by the Company, the company managing the acquiring or newly-established fund shall handle the announcement.

## Overview of tax regulations

The statements made in respect of the tax regulations only apply to investors who are fully liable to tax in Germany. Investors fully liable to tax are hereinafter also referred to as taxpayers resident in Germany. We recommend that foreign investors consult their tax advisor before acquiring units in the Fund described in this sales prospectus and establish any potential tax consequences in their home country arising from the acquisition of units. Foreign investors are investors who are not fully liable to tax. They are hereinafter also referred to as non-resident taxpayers.

## Presentation of the legal situation until 31 December 2017

The Fund is a special-purpose fund and as such generally exempt from corporation tax and local trade tax (Gewerbesteuer). However, it may be definitively subject to 15% tax on investment income for German dividends and participation rights that are similar to share capital if compliance with certain requirements set forth in the Income Tax Act is impossible. However, for private investors taxable income from the Fund is subject to income tax as income from capital claims if this and other capital sums exceed the saver allowance of EUR801 annually (for single taxpayers or spouses who submit separate tax returns) or EUR1,602 (for spouses who submit a joint tax return).

Income from capital claims is generally taxable at a rate of 25% (plus the solidarity surcharge and church tax where applicable). Income from capital claims also includes the income distributed by the Fund, income equivalent to a distribution, interim profits and gains from acquisition and disposal of fund units if these were or are acquired after 31 December 2008. Profits from a sale of fund units acquired prior to 1 January 2009 are tax-free for private investors.

The effect of the withholding of tax is final for private investors (final withholding tax), meaning that income from capital claims does not usually need to be declared in the tax return. The custodian institutions take into account offsetting losses and foreign withholding taxes at the point that the tax is withheld.

The withholding of tax has no final function for example if the personal tax rate is lower than the withholding rate of 25%. In this case the income from capital claims can be declared in the income tax return. The tax authority then applies the lower personal tax rate and includes the withheld tax in the personal tax liability (that is, determining what tax method puts the tax payer in the better position, known as *Günstigerprüfung*).

If income from capital claims has not been withheld for tax purposes (for example because a profit has been generated from the disposal of units in a foreign custody account), this must be declared in the tax return. In the scope of the tax assessment income from capital claims is also subject to a withholding rate of 25% or the lower personal tax rate.

If the units are held as business assets, the income is treated as business income for tax purposes. The tax legislation requires certain distinctions to be made amongst different income components in order to determine the income that is subject to tax or capital gains tax.

### Units held as private assets (taxpayers domiciled in Germany)

#### Gains from the disposal of securities, gains from futures contracts and earnings from option writer premiums

Gains from the disposal of equities, units in investment funds, participation rights that are similar to share capital, income from futures and returns from option writer premiums real-

ised at the level of the Fund will not be taxed at investor level as long as they are not distributed. Further, the gains arising from the disposal of the capital claims are not taxed at investor level if they are not distributed:

- a) capital claims that issue yields;
- b) “normal” bonds and unsecuritised receivables with fixed coupons and down-rating bonds, floaters and reverse floaters;
- c) risk certificates that replicate the price of an equity or a published index for multiple equities at a ratio of 1:1;
- d) equity-linked bonds, exchange bonds and convertible bonds;
- e) “flat” traded income bonds and private equity participation rights; and
- f) warrant-linked bonds acquired “cum”.

If gains from the disposal of the above securities/capital claims, gains from futures contracts and earnings from option writer premiums are distributed, they are generally taxable and, where the units are held in Germany, are subject to a withholding tax of 25% (plus solidarity surcharge and church tax where applicable).

However, distributed gains from the disposal of securities and gains from futures contracts are tax-exempt if the securities were acquired at Fund level before 1 January 2009 or the futures contracts were entered into prior to 1 January 2009.

Results from the disposal of capital claims not included in the above list are to be treated in the same way as interest for tax purposes (see below).

#### Interest, dividends and other income

Interest, dividends and other income are generally taxable at investor level. This is the case irrespective of whether this income is accumulated or distributed. They are usually subject to tax at a rate of 25% (plus solidarity surcharge and church tax where applicable).

The withholding tax will not apply if the investor is domiciled in Germany and presents an application for exemption (Freistellungsauftrag) provided that the taxable income element does not exceed EUR 801 for individuals with a single liability or EUR 1,602 for spouses who submit a joint tax return.

The same also applies if an exemption certificate (NV-Bescheinigung) is presented.

If an investor domiciled in Germany holds the units of a distributing fund in a custody account in Germany, the custodian institution will not withhold tax in its capacity as the paying agent if it is presented with an official application for exemption made in a sufficiently high amount or an exemption certificate issued by the German tax authorities for a maximum duration of three years before the specified distribution date. In such cases the investor will be credited with the total amount of the distribution with no tax being withheld.

The Fund provides the custodian institutions with the tax on investment income along the maximum additional taxes accruing (solidarity surcharge and church tax) for the tax deduction from a fund that does not distribute its income. The custodian institutions deduct tax as in the case of a distribution of income, taking the personal circumstances of the investors into account, so that church tax is particularly paid where applicable. Insofar as the Fund has provided the custodians with amounts that do not have to be paid to the tax authorities, they are refunded.

If units are held in a custody account in Germany, investors who submit their application for exemption or exemption certificate made out in a sufficiently high amount before the end of the Fund's financial year have the sum withheld for tax purposes credited to their account.

If an application for exemption or exemption certificate is not presented, or is not presented in time, the investor is supplied, on request, with a tax certificate by the custodian institution stating the sum withheld and paid for tax purposes and the solidarity surcharge. The investor then has the opportunity to offset the amount of withheld tax against his personal tax liability.

If units of distributing funds are not held in a custody account and coupons for these units are presented to a financial institution in Germany (self-custody arrangement), tax will be withheld at 25% plus the solidarity surcharge.

### Negative tax income

If negative income remains at Fund level after offsetting against the same type of positive income, this is carried forward at Fund level. This may be offset against future taxable income of the same type for the following years at Fund level. Negative tax income cannot be directly allocated to the investor. This means that these negative sums do not affect the investor's income tax until the assessment period (tax year) in which the Fund's tax year ends or in which the distribution is made for the Fund's tax year in which the negative tax income is offset at Fund level. The investor may not apply these amounts to his income tax prior to this assessment period.

### Repayments of capital

Repayments of capital are not taxable. Repayments of capital that the investor has received during his period of ownership are nevertheless added to the taxable result from the disposal of fund units, that is, they increase taxable gains.

### Capital gains at investor level

If units in a fund that were acquired after 31 December 2008 are sold by a private investor, the capital gain is subject to a withholding tax of 25%. If the units are held at a German custodian institution, the custodian institution withholds the tax. The withholding tax of 25% (plus solidarity surcharge and church tax where applicable) may be avoided by presenting an application for exemption made out in a sufficiently high amount or an exemption certificate. If a private investor sells such units at a loss, such loss can be offset against other positive income from investments. If the units are held in custody on a German custody account and positive income from investments was generated with the same custodian institution in the same calendar year, the custodian institution offsets the loss.

If the units acquired before 1 January 2009 are sold, the profit is tax-exempt for private investors.

In determining the capital gain the interim profits at the point of acquisition are deducted from the acquisition costs and the interim profits at the point of disposal are deducted from the disposal price to avoid double assessment of income tax on interim profits (see below). Further, the amount of the accumulated gains on which the investor has already paid tax is deducted from the disposal price to avoid double taxation in this case, too.

Gains from the disposal of fund units acquired after 31 December 2008 are tax-exempt if they are attributable to income that accrued during the ownership period in the Fund, have not yet been taxed at investor level and are tax-exempt pursuant to a double tax treaty (hereinafter referred to as "DTT") (known as pro-rata real-estate profit).

The Company publishes the real-estate profit on every valuation day as a percentage of the net asset value of each investment unit.

Where a minimum investment of EUR100,00 or more is prescribed or the participation of natural persons is dependent on the expertise of the investors (for a specific unit class if unit classes have been defined), the following applies to the disposal or redemption of units acquired after 9 November 2007 and before 1 January 2009: the gain from the disposal or redemption of such units is generally subject to a withholding tax rate of 25%. In this case, however, the taxable capital gains arising from the disposal or redemption of the units are limited to the amount of the gains accumulated at Fund level from the disposal of securities acquired after 31 December 2008 and gains accumulated at Fund level arising from futures contracts entered into after 31 December 2008. In order for the taxable capital gain to be limited in this way, proof of the corresponding sum must be provided.

As of 31 December 2017, the units are considered sold. The last redemption price fixed in calendar year 2017 shall be used as sales price. According to the above-mentioned rules, the gain is generally tax-exempt if the units were acquired prior to 1 January 2009. Otherwise, the gain is basically taxable and to be determined in accordance with the above-mentioned rules; however, it must first be taken into account as soon as the units are actually sold.

### Units held as business assets (taxpayers resident in Germany)

#### Gains from the disposal of securities, gains from futures contracts and earnings from option writer premiums

Gains from the disposal of equities, units in investment funds, participation rights that are similar to share capital, income from futures and earnings from option writer premiums realised at the level of the Fund will not be taxed at investor level

as long as they are not distributed. Further, the gains arising from the disposal of the capital claims (so-called “good claims under equity instruments”) are not taxed at investor level if they are not distributed:

- a) claims under equity instruments that issue yields;
- b) “normal” bonds and unsecuritised receivables with fixed coupons and down-rating bonds, floaters and reverse floaters;
- c) risk certificates that replicate the price of an equity or a published index for multiple equities at a ratio of 1:1;
- d) equity-linked bonds, exchange bonds and convertible bonds;
- e) “flat” traded income bonds and private equity participation rights; and
- f) warrant-linked bonds acquired “cum”.

These gains are taxable at investor level on distribution. In this case gains from the disposal of equities are either fully exempt for corporate investors or 40% of these gains are tax-exempt for other commercial investors, such as sole traders (partial income procedure). 5% of gains from the disposal of equities is treated as non-deductible business expenditure for corporations and is thus taxable. Conversely, capital gains from bonds/capital claims, gains from futures transactions and earnings from options writer premiums are taxable in full.

Gains from the disposal of capital claims not included in the above list are to be treated in the same way as interest for tax purposes (see below).

Distributed gains from the disposal of securities, distributed gains arising from futures contracts and distributed earnings from option writer premiums are generally subject to withholding tax (capital gains tax at 25% plus solidarity surcharge). This does not apply to gains from the disposal of securities acquired prior to 1 January 2009 and gains from futures contracts entered into prior to 1 January 2009. The paying agent shall not withhold any tax in particular where the investor is a corporation with unlimited tax liability or these capital gains represent business income of a company domiciled in Germany and the holder of the capital gains declares this to the paying agent in the officially prescribed form.

#### Interest and related income

Interest and related income is taxable at investor level (the taxable interest is to be treated in accordance with section 2 (2a) of the Investment Tax Act in the scope of the interest ceiling rule under section 4h of the Einkommenssteuergesetz - Income Tax Act, EStG). This is the case irrespective of whether this income is accumulated or distributed.

Exemption from or refund of withholding tax is only done by the custodian institution if a relevant tax exemption certificate is submitted. Otherwise the investor is issued with a tax certificate relating to the withheld tax.

#### German and foreign dividends

Dividends of German and foreign corporations that have been distributed or accumulated before 1 March 2013 are generally tax-exempt, with the exception of dividends for corporations pursuant to the REITG (Real Estate Investment Trust Act). 5% of the dividends are treated as non-deductible business expenditure and are ultimately taxable. Due to the new regulation pertaining to the taxation of dividends paid on widespread shareholdings, dividends of German or foreign corporations that have accrued to the Fund or are deemed to have accrued to the Fund after 28 February 2013 from a direct investment are subject to tax at corporation level. Sole traders pay tax on 60% of dividends (partial income procedure) except for dividends set out in the REITG.

German dividends are subject to withholding tax (capital gains tax of 25% plus solidarity surcharge).

Foreign dividends are subject to withholding tax (capital gains tax of 25% plus solidarity surcharge). However, the paying agent shall not withhold any tax if the investor is a corporation with unlimited tax liability or the foreign dividends are operating income of a German enterprise and this is declared to the paying agent by the creditor of the investment income in an officially prescribed form. Certain corporations are required to present to the paying agent a certificate from the tax office responsible for them that evidences their unlimited tax liability. These are unincorporated associations, institutions, foundations and other special-purpose funds under private law that are no corporations, cooperative societies or mutual insurance companies or mutual pension fund associations.



In the case of investors liable for local trade tax, dividend yields that are partially exempt for income tax and corporation tax purposes are to be re-allocated to the investor for the purposes of determining the trade income but not re-deducted. In the view of the tax authorities, dividends paid by foreign corporations can, as qualifying intercompany dividends, only be exempt from taxation if the investor is a company (corporation) as defined in the corresponding DTT and a sufficiently high overall (intercompany) interest is attributable to it.

#### Negative tax income

If negative income remains at Fund level after offsetting against the same type of positive income, this is carried forward at Fund level for tax purposes. This may be offset against future taxable income of the same type for the following years at Fund level. Negative tax income cannot be directly allocated to the investor. This means that these negative sums do not affect the investor's income tax or corporation tax until the assessment period (tax year) in which the Fund's tax year ends or in which the distribution is made for the Fund's tax year in which the negative tax income is offset at Fund level. The investor may not apply these amounts to his income tax or corporation tax prior to this assessment period.

#### Repayments of capital

Repayments of capital are not taxable. For investors who prepare accounts this means that the repayments of capital are to be recognised as income in their trading accounts and an offsetting liability must be recorded as an expense in their tax accounts, thus technically reducing the historical acquisition cost in a way that is tax-neutral. Alternatively the acquisition costs carried forward may be reduced by the proportional amount of the capital repayment.

#### Capital gains at investor level

Gains from the disposal of units held as business assets are tax-exempt for corporations (5% of the tax-exempt gains are treated as non-deductible business expenditure for corporations and are thus taxable) provided the gains derive from dividends not yet paid, or not yet deemed to have been paid, and from realised and non-realised gains of the Fund from German and foreign equities (known as equity gains). Sole traders pay tax on 60% of these gains. The Company publishes the equity gains (two equity gains, separately for corporations and sole traders since 1 March 2013 due to the aforementioned

amendment of the law, the separated equity gains are probably published at a later date) on every valuation day as a percentage of the net asset value on each investment unit.

Gains from the disposal of units are tax-exempt if they are attributable to income that accrued during the ownership period in the Fund, have not yet been taxed at investor level and are tax-exempt pursuant to a DTT (known as pro-rata real-estate profit).

The Company publishes the real-estate profit on every valuation day as a percentage of the net asset value on each investment unit.

As of 31 December 2017, the units are considered sold. The last redemption price fixed in calendar year 2017 shall be used as sales price. The gain is basically taxable and to be determined in accordance with the above-mentioned rules; however, it must first be taken into account as soon as the units are actually sold.



## Summarised overview of taxation for usual business investor groups

<b>Accumulated or distributed</b>	<b>Interest, gains from the sale of bad claims under equity investments and other income</b>	<b>German dividends</b>	<b>Foreign dividends</b>
<b>Domestic investors:</b>			
<b>Sole traders:</b>	<u>Tax on investment income:</u> 25%  <u>Substantial taxation:</u> Income tax and trade tax; trade tax is credited against income tax; foreign withholding taxes may be credited or deducted where applicable	<u>Tax on investment income:</u>  <u>Substantial taxation:</u> Trade tax on 100% of dividends. Income tax on 60% of dividends if they are no REIT dividends or dividends from investment companies subject to low tax; trade tax is credited against income tax	<u>Tax on investment income:</u> Tax exemption
<b>Entities subject to the standard VAT regime (typically industrial companies; banks, provided shares are not held in the trading portfolio; property insurers)</b>	<u>Tax on investment income:</u> Tax exemption for banks, otherwise 25%  <u>Substantial taxation:</u> Income tax and trade tax; foreign withholding taxes may be credited or deducted where applicable	<u>Tax on investment income:</u> 25% 1 - 80  <u>Substantial taxation:</u> Corporation income tax and trade tax	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Corporation income tax and trade tax; foreign withholding tax can be credited up to the maximum rate set forth in the DTT or is deductible upon the determination of income
<b>Life and health insurance companies and pension funds where the fund units are attributable of investments</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Corporation income tax and trade tax insofar as no provision for premium refunds is made in the commercial balance sheet which is also to be recognised for tax purposes, foreign withholding taxes may be credited or deducted where applicable		
<b>Banks holding the fund units in the trading portfolio</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Income tax and trade tax; foreign withholding taxes may be credited or deducted where applicable	<u>Tax on investment income:</u> 25%	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Corporation income tax and trade tax; foreign withholding tax can be credited up to the maximum rate set forth in the DTT or is deductible upon the determination of income
<b>Tax-exempt charitable or church investors (esp. churches, non-profit foundations)</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Tax-free		
<b>Other tax-exempt investors (in particular pension funds, burial funds and provident funds, provided that the requirements set out in the Corporation Income Tax Act are satisfied)</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Tax-free	<u>Tax on investment income:</u> 15%  <u>Substantial taxation:</u> Tax deduction has definitive effect	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Tax-free
<b>Commercial partnerships</b>	<u>Tax on investment income:</u> 25%  <u>Substantial taxation:</u> Where applicable, trade may accrue at a level of partnerships. To this end, trade tax is not generally charged at a level of the partners. For purposes of income or corporation income tax, the income of the partnership is assessed collectively and separately. The partners have to pay tax on this income in accordance with the rules which would apply if they directly participated in the Fund. For partners who are not subject to the Corporation Income Tax Act, trade tax attributable to the partners on a pro-rata basis would be credited against income tax.		<u>Tax on investment income:</u> Tax exemption
<b>Asset management partnerships</b>	<u>Tax on investment income:</u> 25%  <u>Substantial taxation:</u> No trade tax accrues at a level of the partnership. The income from the partnership is subject to income tax or corporation income tax and any applicable trade tax at investor level whereby the same consequences of taxation occur as if the partners had directly invested in the Fund.		
<b>Foreign investors:</b>			
	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> With the German dividends, the German rental returns and income from the sale of German properties, the investors has limited tax liability within the 10-year period. By submitting a tax return in Germany, he may receive a refund with regard to the rents and gains from the disposal of German properties on which taxes on investment income are charged (tax on investment income is considered as advance payment, the corporation income tax rate in Germany amounts to only 15%). Otherwise, substantial taxation is based on the rules applying in the investor's state of residence.	<u>Tax on investment income:</u> 25%; reduction to DTT maximum rate possible where applicable through an application for a refund of withholding tax which is to be filed with the Federal Tax Office; to the extent a refund of withholding tax is not achieved, the tax deduction is definitive	<u>Tax on investment income:</u> Tax exemption

<b>Distributed</b>	<b>Gains from the sale of good claims from equity investments and futures transactions</b>	<b>Gains from the sale of equities</b>
<b>Domestic investors:</b>		
<b>Sole traders</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Income tax and trade tax; trade tax is credited against income tax	<u>Substantial taxation:</u> Income tax on 60% of capital gains unless they are gains from the sale of REIT equities or from the sale of investment companies subject to low tax; exempt from trade tax
<b>Entities subject to the standard VAT regime (typically industrial companies; banks, provided shares are not held in the trading portfolio; property insurers)</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Corporation income tax and trade tax; foreign withholding taxes may be credited or deducted where applicable	<u>Substantial taxation:</u> Tax-free unless they are gains from the sale of REIT equities or from the sale of investment companies subject to low tax; for purposes of corporation income tax, 5% of the tax-free gains are considered as non-deductible expenses
<b>Life and health insurance companies and pension funds where the fund units are attributable to investments</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Corporation income tax and trade tax insofar as no provision for premium refunds is made in the commercial balance sheet which is also to be recognised for tax purposes, foreign withholding taxes may be credited or deducted where applicable	
<b>Banks holding the fund units in the trading portfolio</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Corporation income tax and trade tax; foreign withholding taxes may be credited or deducted where applicable	
<b>Tax-exempt charitable or church investors (esp. churches, non-profit foundations)</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Tax-free	
<b>Other tax-exempt investors (in particular pension funds, burial funds and provident funds, provided that the requirements set out in the Corporation Income Tax Act are satisfied)</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Tax-free	
<b>Commercial partnerships</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Where applicable, trade may accrue at a level of partnerships. To this end, trade tax is not generally charged at a level of the partners. For purposes of income or corporation income tax, the income of the partnership is assessed collectively and separately. The partners have to pay tax on this income in accordance with the rules which would apply if they directly participated in the Fund. For partners who are not subject to the Corporation Income Tax Act, trade tax attributable to the partners on a pro-rata basis would be credited against income tax.	
<b>Asset management partnerships</b>	<u>Tax on investment income:</u> 25%  <u>Substantial taxation:</u> No trade tax is levied at a level of the partnership. The income of the partnership is subject to income tax or corporation income tax and any applicable trade tax at investor level whereby the same consequences of taxation occur as if the partners had directly invested in the Fund.	
<b>Foreign investors:</b>		
	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Substantial taxation is based on the rules applying in the investor's state of residence.	

Domestic custody in Germany is assumed. A solidarity surcharge is levied on tax on investment income, income tax and corporation income tax. Allowable foreign withholding taxes may be deducted as tax-allowable expenses at a level of the Fund; in this case they cannot be deducted at investor level. For the exemption from the deduction of tax on investment income, it may be necessary that non-assessment certificates are submitted to the custodian institution in time.

### Non-resident taxpayers

If a non-resident taxpayer holds the fund units in a custody account held by a German custodian institution, no tax is withheld in respect of interest or related income, gains from the disposal of securities, gains from futures contracts and foreign dividends, provided non-resident status can be proven. If the custodian institution is not aware of the non-resident status, or if it is not notified in time, the foreign investor must apply for a refund of the withheld tax pursuant to the Abgabenordnung (Fiscal Code, AO). This is the responsibility of the relevant tax office for the custodian institution.

If a non-resident investor holds the fund units in a custody account held by a German custodian institution, no tax is withheld if non-resident status can be proven, provided this sum is not attributable to German dividends. If proof is furnished too late, a refund may be applied for in accordance with the Fiscal Code after the accumulation date, as is the case with proving non-resident status for distributing funds.

The extent to which foreign investors are entitled to offset or have refunded the tax withheld on German dividends depends on any DTT in place between the investor's home state and the Federal Republic of Germany. Any refund of tax on investment income on German dividends under a DTT is made by the Bundeszentralamt für Steuern (Federal Central Tax Office) in Bonn.

### Solidarity surcharge

A solidarity surcharge of 5.5% is levied on tax withheld on distributions or accumulated gains. The solidarity surcharge may be offset against income tax and corporation tax.

If no tax is withheld, or if tax withheld on an accumulation is credited, no solidarity surcharge is deducted or the solidarity surcharge retained on accumulation is refunded.

### Church tax

Where income tax has already been withheld by a custodian institution in Germany (withholding agent), the applicable church tax will be paid at the applicable rate of the respective religious community to which the tax payer belongs as a surcharge to the withheld tax.

Church tax is taken into account as a special expense at the point at which the withholding tax is deducted.

### Foreign withholding tax

In certain cases foreign withholding taxes are deducted from the foreign gains of a fund in the country of origin. The Company may deduct the allowable withholding taxes at the level of the Fund as a tax-allowable expense. In this case the foreign withholding tax is neither allowable nor deductible at investor level. If the Company elects not to deduct foreign withholding tax at Fund level, the allowable withholding tax is recognised as reducing the tax deduction.

### Income equalisation

The proportion of the subscription price attributable to issued units that are used for distribution (income equalisation procedure) is treated for tax purposes in the same way as the income from which this proportion of the subscription price is derived.

### Separate determination, external audit

The bases of taxation determined at Fund level are to be determined separately. To this end the Company is required to submit an assessment return (Feststellungserklärung) to the relevant tax office. Any amendments to the assessment return, for instance due to an external audit (section 11 (3) of the Investment Tax Act) by tax authorities, take effect in the finan-

cial year in which the amended assessment may no longer be appealed. The tax allocation of this altered assessment to the investor then takes place at the end of that financial year or on the distribution day for that financial year.

Thus error adjustments have a financial effect on those investors participating in the Fund at the point at which the error adjustment is made. The effects may be positive or negative.

### **Taxation of interim profits**

Interim profits are the income from interest received or accrued in the offering or redemption price and gains from the disposal of capital claims that have not yet been distributed or accumulated by the Fund and are consequently not yet taxable at investor level (comparable to accrued interest from fixed-interest securities). The interim profits generated by the Fund are subject to income tax on redemption or disposal of the units by taxpayers resident in Germany. The withholding tax on the interim profits is 25% (plus solidarity surcharge and any applicable church tax).

Private investors may offset any interim profits paid on the acquisition of units as negative income against income tax in the year they were paid if an income equalisation procedure is being operated and is referred to both on publication of the interim profit and also in the scope of the tax data to be professionally certified. They are taken into account when the withholding tax is deducted. If the interim profits are not published, the interim profits are measured at an annual rate of 6% of the fee for the redemption or disposal of the investment unit. For commercial investors the interim profits paid are a constituent part of the acquisition costs that cannot be adjusted. On redemption or disposal of the investment units the interim profits received make up a constituent part of the gains from the disposal. No adjustment is required.

The interim profits are usually included in statements and performance reports provided by the banks.

### **Consequences of the merger of funds**

If a German fund is merged with another German fund, this does not result in the disclosure of unrealised gains either at

the level of the investor or participating funds, that is, the merger is tax-neutral. The same applies to the transfer of all assets from a German fund to a German closed-end fund with variable capital or a sub-pool of a German closed-end fund with variable capital. If the investors in the fund being transferred receive a cash payment that is provided in the draft terms of mergers (section 190 (2) no. 2 of the Capital Investment Code), this is treated like a distribution of any other income. Income generated but not yet distributed by the fund being transferred is allocated to the investors on the transfer date as income deemed to have been distributed for tax purposes.

### **Transparent, semi-transparent and intransparent taxation as a fund**

The tax principles for funds set out above (known as transparent taxation) within the meaning of the Investment Tax Act (hereinafter referred to as "Investment Tax Act") only apply if the Fund is covered by the grandfather provision set out in the Investment Tax Act. For this purpose, the Fund must have been launched prior to 24 December 2013 and comply with the investment regulations and borrowing limits as set forth in the previous Investment Act. Alternatively, the Fund must comply with the fiscal investment provisions set out in the Investment Tax Act; these are the principles according to which the Fund may make investments in order to be treated as an investment fund in fiscal terms. In both cases all taxation bases must additionally be published in accordance with the tax disclosure obligation set out in section 5 (1) of the Investment Tax Act. Alternatively, the investor may furnish proof of basis of taxation. If the Fund has acquired units in other investment funds, the aforementioned taxation principle also apply only (i) if the respective target fund is covered by the grandfather provision set out in the Investment Tax Act or complies with the fiscal investment provisions set out in the Investment Tax Act and (ii) the management company complies with the tax disclosure obligation for such target funds.

The Company makes every effort to comply with the fiscal investment provisions, or if the grandfather provision is applicable, to comply with the investment provisions and borrowing limits as set out in the Investment Act and to disclose all tax bases available to it. However, the requisite disclosure cannot be guaranteed, particularly where the Fund has acquired

units in investment funds and the respective management company does not comply with its tax disclosure obligation. In this case the distributions and the interim profits and 70% of the increase in value over the previous calendar year in relation to the respective units in the investment fund (but being no less than 6% of the redemption price) shall be stated to be taxable income at Fund level (so-called lump-sum taxation). However, a lump-sum taxation can be avoided when investors furnish proof. The Company also makes every effort to disclose bases of taxation that fall outside section 5 (1) of the Investment Tax Act (such as gains from equities, real estate and interim profits in particular).

Unless the investment provisions and borrowing limits as set forth in the former Investment Act or the tax investment provisions as set forth in the Investment Tax Act are not complied with, the Fund has to be treated as an investment company. Taxation is governed by the principles pertaining to investment companies.

### Automatic exchange of information in tax matters

Internationally, the importance of the automatic exchange of information to combat cross-border tax fraud and cross-border tax evasion has increased significantly in recent years. In 2014, the OECD therefore published on behalf of the G20 a global standard for the automatic exchange of information on financial accounts in tax matters (Common Reporting Standard, hereinafter: "CRS"). The CRS has been agreed by more than 90 states (participating states) through a multilateral agreement. In addition, at the end of 2014, Council Directive 2014/107/EU of 9 December 2014 integrated it into Directive 2011/16/EU on the obligation to exchange information in the field of taxation automatically. The participating states (all EU Member States as well as several third countries) have generally applied the CRS from 2016 with reporting requirements from 2017 onwards. Only individual states (e.g. Austria and Switzerland) are allowed to apply the CRS one year later. Germany has implemented the CRS into German law with the Law on the Automatic Exchange of Financial Account Information (Finanzkonten-Informationsaustausch-gesetz) of 21 December 2015 and has applied it from 2016 onwards.

The CRS requires reporting financial institutions (mainly credit institutions) to collect certain information about their cli-

ents. Where customers (natural persons or entities) are reportable persons resident in other participating countries (other than, for example, listed corporations or financial institutions), their accounts and custody accounts are classified as reportable accounts. The reporting financial institutions will then transmit certain information to their home tax authority for each reportable account. The latter then transmits the information to the home tax office of the client.

The information to be transmitted essentially concerns the personal data of the client to be reported (name, address, tax identification number, date of birth and place of birth (for natural persons), country of residence) as well as 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); gross total proceeds from the sale or return of financial assets (including fund units)).

Consequently, reportable investors holding an account and/or custody account with a credit institution domiciled in a participating state are specifically affected. Therefore, German credit institutions will report information on investors resident in other participating countries to the Federal Central Tax Office, which will forward the information to the respective tax authorities of the countries of residence of the investors. Correspondingly, credit institutions in other participating states will report information about investors residing in Germany to their respective home tax authority, which will forward the information to the Federal Central Tax Office. Finally, it is conceivable that credit institutions based in other participating countries may report information on investors resident in other participating states to their respective home tax authority, which will forward the information to the respective tax authorities of the countries of residence of the investors.

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

As a special-purpose fund, the Fund is generally exempt from corporation income tax and trade tax. However, it is subject to partial corporation income tax due to its domestic participation income and other domestic income in Germany for the

purposes of limited income tax liability other than gains on the sale of shares in corporations. The tax rate is 15%. Insofar as the taxable income is collected by way of tax on investment income deduction, the tax rate of 15% already includes the solidarity surcharge.

However, for private investors the investment income is subject to income tax as income from capital assets if this and other capital sums exceed the saver allowance of EUR801 annually (for single taxpayers or spouses who submit separate tax returns) or EUR1,602 (for spouses who submit a joint tax return)./ However, for private investors the investment income is subject to income tax as income from capital assets if this and other capital sums exceed the lump-sum saver allowance, including the fixed sum for tax-allowable expenses currently in force (since 2009, the lump-sum saver allowance has amounted to EUR801 for individuals with a single liability and EUR1,602 for spouses who submit a joint tax return).

Investment income is generally taxable at a rate of 25% (plus the solidarity surcharge and any applicable church tax). Investment income also includes the income distributed by the Fund, that is, the income distributed by the Fund, the advance lump-sum amounts and the gains from the disposal of the units.

The effect of the withholding of tax is definitive for private investors (definitive withholding tax), meaning that investment income does not usually need to be declared in the tax return. The custodian institutions take into account offsetting losses and foreign withholding taxes and foreign withholding taxes from the direct investment at the point that the tax is withheld.

The withholding of tax is not definitive for example if the personal tax rate is lower than the withholding rate of 25%. In this case the investment income can be declared in the income tax return. The tax authority then applies the lower personal tax rate and includes the withheld tax in the personal tax liability (that is, determining what tax method puts the tax payer in the better position, known as *Günstigerprüfung*).

If investment income has not been subject to tax deduction (for example because a profit has been generated from the disposal of units in a foreign custody account), this must be declared in the tax return. In the scope of the tax assessment

investment income is also subject to a withholding rate of 25% or the lower personal tax rate.

If the units are held as business assets, the income is treated as business income for tax purposes..

## Units held as private assets (taxpayers resident in Germany)

### Distributions

Distributions from the Fund are generally taxable.

However, if the Fund fulfils the tax conditions pertaining to an equity fund, 30% of the distributions are tax-exempt.

However, if the Fund fulfils the tax conditions pertaining to a mixed fund, 15% of the distributions are tax-exempt.

The taxable distributions are usually subject to a tax deduction of 25% (plus solidarity surcharge and any applicable church tax).

The withholding tax will not apply if the investor is domiciled in Germany and presents an application for exemption (*Frei-stellungsauftrag*) provided that the taxable income element does not exceed EUR801 for individuals with a single liability or EUR1,602 for spouses who submit a joint tax return./ The withholding tax will not apply if the investor is domiciled in Germany and presents an application for exemption (*Frei-stellungsauftrag*) provided that the taxable income elements do not exceed the lump-sum saver allowance currently in force (since 2009, the lump-sum saver allowance has amounted to EUR801 for individuals with a single liability and EUR1,602 for spouses who submit a joint tax return).

The same also applies if an exemption certificate (*NV-Bescheinigung*) is presented.

If an investor resident in Germany holds the units of a distributing fund in a custody account in Germany, the custodian institution will not withhold tax in its capacity as the paying agent if it is presented with an official application for exemption made in a sufficiently high amount or an exemption certificate issued by the German tax authorities for a duration of three years before the specified distribution date. In such cas-



es the investor will be credited with the total amount of the distribution with no tax being withheld.

#### Advance lump-sum amounts

The advance lump-sum amount is the amount by which the distributions of the Fund within one calendar year fall short of the base yield of this calendar year. The base yield is determined by multiplying the redemption price of the unit at the beginning of a calendar year with 70% of the base rate, which is derived from the return on public bonds achievable in the long term. The base yield is limited to the excess amount between the first and the last redemption price fixed in the calendar year plus the distributions within the calendar year. In the year in which the units are acquired, the advance lump-sum amount reduces by one-twelfth for every full month that precedes the month of acquisition. The advance lump-sum amount is considered as being valid on the first working day of the following calendar year.

Advance lump-sum amounts are generally taxable.

However, if the Fund fulfils the tax conditions pertaining to an equity fund, 30% of the advance lump-sum amounts are tax-exempt.

However, if the Fund fulfils the tax conditions pertaining to a mixed fund, 15% of the advance lump-sum amounts are tax-exempt.

The taxable advance lump-sum amounts are usually subject to a tax deduction of 25% (plus solidarity surcharge and any applicable church tax).

The withholding tax will not apply if the investor is domiciled in Germany and presents an application for exemption (Frei-stellungsauftrag) provided that the taxable income element does not exceed EUR801 for individuals with a single liability or EUR1,602 for spouses who submit a joint tax return./ The withholding tax will not apply if the investor is domiciled in Germany and presents an application for exemption (Frei-stellungsauftrag) provided that the taxable income elements do not exceed the lump-sum saver allowance currently in force (since 2009, the lump-sum saver allowance has amounted to EUR801 for individuals with a single liability and EUR1,602 for spouses who submit a joint tax return).

The same also applies if an exemption certificate (NV-Bescheinigung) is presented.

If an investor resident in Germany holds the units of a distributing fund in a custody account in Germany, the custodian institution will not withhold tax in its capacity as the paying agent if it is presented with an official application for exemption made in a sufficiently high amount or an exemption certificate issued by the German tax authorities for a maximum duration of three years before the specified inflow date. In this case, no tax is paid. Otherwise, the investor must provide the domestic custodian institution with the amount of tax to be paid. For this purpose, the custodian institution may collect, without the consent of the investor, the amount of tax to be paid from an account held by him in his own name. Insofar as the investor does not object to the payment of the advance lump-sum amount, the custodian institution may collect the tax amount to be paid from an account held by the investor in his own name, in the same way as an account overdraft agreed with the investor for this account has not been used. Insofar as the investor does not fulfill his obligation to make the amount of tax to be paid available to the domestic German custodian institution, the custodian institution must notify the tax office in charge of it hereof. In this case, the investor must state the advance lump-sum amount in his income tax return.

#### Capital gains at investor level

If units in the Fund are sold after 31 December 2017, the capital gain is subject to a withholding tax of 25%. This applies to both units acquired prior to 1 January 2018 and deemed to be sold effective 31 December 2017 and re-purchased on 1 January 2018, and for units acquired after 31 December 2017.

However, if the Fund fulfils the tax conditions pertaining to an equity fund, 30% of the capital gains are tax-exempt.

However, if the Fund fulfils the tax conditions pertaining to a mixed fund, 15% of the capital gains are tax-exempt.

For gains on the sale of units acquired prior to 1 January 2018, which are deemed sold as of 31 December 2017 and repurchased as of 1 January 2018, it should be noted that, at the time of the actual disposal, the gains from the notional disposal on 31 December 2017 are also taxable if the units were actually acquired after 31 December 2008.



If the units are held in a German custody account, the custodian agent will deduct the tax, taking into account any partial exemptions. The tax deduction of 25% (plus solidarity surcharge and any applicable church tax) can be avoided by presenting an application for exemption made out in a sufficiently high amount or an exemption certificate. If such units are sold by a private investor at a loss, the loss can be offset against other positive income from capital assets. If the units are held in a German custody account and positive income from capital assets has been obtained for the same custodian bank in the same calendar year, the custodian agent will offset losses.

In the event of the sale of the fund units acquired prior to 1 January 2009 after 31 December 2017, the gain that will accrue after 31 December 2017 will in principle be tax-exempt for private investors up to an amount of EUR100,000. This allowance can only be claimed if these gains are declared to the tax office responsible for the investor.

When determining the capital gain, the gain must be reduced by the advance lump-sum amounts set during the holding period.

### Units held as business assets (taxpayers resident in Germany)

#### Refund of corporation income tax paid by the Fund

Corporation income tax accrued at Fund level may be refunded to the Fund for onward transmission to an investor, provided that the investor is a domestic corporation, association of persons or assets that, in accordance with the Articles of Association, the foundation deed or any other constitution and the actual management, exclusively and directly serves charitable, benevolent or ecclesiastical purposes or a public law foundation that exclusively and directly serves charitable or benevolent purposes, or is a public law entity exclusively and directly serving church purposes; this does not apply if the units are held in an economic business. The same applies to comparable foreign investors with headquarters and management in a foreign state providing administrative and collection assistance.

This is based on the prerequisite that such an investor has filed a corresponding application and the corporation income tax incurred is attributable to his holding period on a pro-rata

basis. In addition, the investors must have been the beneficial owner under civil law for at least three months before the inflow of income of the Fund subject to corporation income tax without being subject to an obligation to transfer the units to another person. Furthermore, in respect of corporation income tax on German dividends and income from German participation rights that are similar to share capital incurred at Fund level, the refund mainly requires that German equities and German profit participation rights being similar to share capital were held by the Fund as the economic owner continuously for 45 days within 45 days before and after the maturity date of the investment income and there was a constant minimum value change risk of 70% during these 45 days.

Evidence of tax exemption and an investment units deposit statement issued by the custodian institution must be attached to the application. The investment units deposit statement is a certificate conforming to the official sample document which deals with the units continuously held by the investor during the calendar year as well as the time and extent of acquisition and disposal of units during the calendar year.

Corporation income tax incurred at Fund level can also be reimbursed to the Fund for distribution to an investor to the extent that the units in the Fund are held in the scope of old-age provision or retirement annuity insurance agreements, which were certified under the German Pension Contracts Certification Act (Altersvorsorgeverträge-Zertifizierungsgesetz). This requires that the provider of an old-age provision or retirement annuity insurance agreement notifies the Fund one month after the end of the latter's financial year, at what times and to what extent units were acquired or sold.

The Fund or the Company is not under an obligation to have the corresponding corporation income tax amount refunded and to pass it on to the investor.

Due to the high complexity of the regulation, it makes sense to involve a tax consultant.

#### Distributions

Distributions from the Fund are generally subject to income or corporation income tax and trade tax.

However, if the Fund fulfils the tax conditions pertaining to an equity fund, 60% of the distributions are tax-free for income tax purposes and 30% for the purposes of trade tax, if the units are held by natural persons as business assets. For taxable entities 80% of distributions are generally tax-free for purposes of corporation income tax and 40% for trade tax purposes. For corporations which are life or health insurance companies and where the units are attributable to financial assets, or which are credit institutions where the units are attributable to the trading book or which acquired the units with the aim of earning own-account trading income in the short term, 30% of the distributions are tax-exempt for purposes of corporation income tax and 15% for trade tax purposes.

However, if the Fund fulfils the tax conditions pertaining to a mixed fund, 30% of the distributions are tax-free for income tax purposes and 15% for the purposes of trade tax, if the units are held by natural persons as business assets. For taxable entities 40% of distributions are generally tax-free for purposes of corporation income tax and 20% for trade tax purposes. For corporations which are life or health insurance companies and where the units are attributable to financial assets, or which are credit institutions where the units are attributable to the trading book or which acquired the units with the aim of earning own-account trading income in the short term, 15% of the distributions are tax-exempt for purposes of corporation income tax and 7.5% for trade tax purposes.

Advance lump-sum amounts are usually subject to 25% tax deduction (plus solidarity surcharge).

If the Fund fulfils the tax conditions pertaining to an equity fund, a partial exemption of 30% is taken into account in the deduction of tax.

If the Fund fulfils the tax conditions pertaining to a mixed fund, a partial exemption of 15% is taken into account in the deduction of tax.

#### Advance lump-sum amounts

The advance lump-sum amount is the amount by which the distributions of the Fund within one calendar year fall short of the base yield of this calendar year. The base yield is determined by multiplying the redemption price of the unit at the beginning of a calendar year with 70% of the base rate, which

is derived from the return on public bonds achievable in the long term. The base yield is limited to the excess amount between the first and the last redemption price fixed in the calendar year plus the distributions within the calendar year. In the year in which the units are acquired, the advance lump-sum amount reduces by one-twelfth for every full month that precedes the month of acquisition. The advance lump-sum amount is considered as being valid on the first working day of the following calendar year.

Advance lump-sum amounts are generally subject to income tax, corporation income tax and trade tax.

However, if the Fund fulfils the tax conditions pertaining to an equity fund, 60% of the advance lump-sum amounts are tax-free for income tax purposes and 30% for the purposes of trade tax, if the units are held by natural persons as business assets. For taxable entities 80% of advance lump-sum amounts are generally tax-free for purposes of corporation income tax and 40% for trade tax purposes. For corporations which are life or health insurance companies and where the units are attributable to financial assets, or which are credit institutions where the units are attributable to the trading book or which acquired the units with the aim of earning own-account trading income in the short term, 30% of the advance lump-sum amounts are tax-exempt for purposes of corporation income tax and 15% for trade tax purposes.

However, if the Fund fulfils the tax conditions pertaining to a mixed fund, 30% of the advance lump-sum amounts are tax-free for income tax purposes and 15% for the purposes of trade tax, if the units are held by natural persons as business assets. For taxable entities 40% of preliminary lump sums are generally tax-free for purposes of corporation income tax and 20% for trade tax purposes. For corporations which are life or health insurance companies and where the units are attributable to financial assets, or which are credit institutions where the units are attributable to the trading book or which acquired the units with the aim of earning own-account trading income in the short term, 15% of the advance lump-sum amounts are tax-exempt for purposes of corporation income tax and 7.5% for trade tax purposes.

The advance lump-sum amounts are usually subject to a tax deduction of 25% (plus solidarity surcharge and any applicable church tax).

If the Fund fulfils the tax conditions pertaining to an equity fund, a partial exemption of 30% is taken into account in the deduction of tax.

If the Fund fulfils the tax conditions pertaining to a mixed fund, a partial exemption of 15% is taken into account in the deduction of tax.

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

Gains from the disposal of units are usually subject to income or corporation income tax and trade tax. In determining the capital gain, the gain has to be reduced by the advance lump-sum amounts used during the holding period.

However, if the Fund fulfils the tax conditions pertaining to an equity fund, 60% of the capital gains are tax-free for income tax purposes and 30% for the purposes of trade tax, if the units are held by natural persons as business assets. For taxable entities 80% of preliminary lump sums are generally tax-free for purposes of corporation income tax and 40% for trade tax purposes. For corporations which are life or health insurance companies and where the units are attributable to financial assets, or which are credit institutions where the units are attributable to the trading book or which acquired the units with the aim of earning own-account trading income in the short term, 30% of the capital gains are tax-exempt for purposes of corporation income tax and 15% for trade tax purposes.

However, if the Fund fulfils the tax conditions pertaining to a mixed fund, 30% of the capital gains are tax-free for income tax purposes and 15% for the purposes of trade tax, if the units are held by natural persons as business assets. For taxable entities 40% of capital gains are generally tax-free for purposes of corporation income tax and 20% for trade tax purposes. For corporations which are life or health insurance companies and where the units are attributable to financial assets, or which are credit institutions where the units are attributable to the trading book or which acquired the units with the aim of earning own-account trading income in the short term, 15% of the capital gains are tax-exempt for purposes of corporation income tax and 7.5% for trade tax purposes.

Gains from the disposal of units are usually not subject to tax deduction.

#### **Negative tax income**

Negative tax income cannot be directly attributed to the investor.

#### **Administration-related taxation**

During the administration of the Fund, distributions are considered as income only to the extent they include the appreciation of one calendar year.

## Summarised overview of taxation for usual business investor groups

	Distributions	Advance lump-sum amounts	Capital gains
<b>Domestic investors:</b>			
<b>Sole traders</b>	<u>Tax on investment income:</u> 25% (the partial exemption for equity funds of 30% or for mixed funds of 15% is taken into account)  <u>Substantial taxation:</u> Income tax and trade tax, if applicable, taking into account partial exemptions (equity funds 60% for income tax / 30% for trade tax; mixed funds 30% for income tax / 15% for trade tax)		<u>Tax on investment income:</u> Tax exemption
<b>Entities subject to the standard VAT regime (typically industrial companies; banks, provided shares are not held in the trading portfolio; property insurers)</b>	<u>Tax on investment income:</u> Tax exemption for banks, otherwise 25% (partial exemption for equity funds of 30% or for mixed funds of 15% is taken into account)  <u>Substantial taxation:</u> Corporation income tax and trade tax, if applicable, taking into account partial exemptions (equity funds 80% for income tax / 40% for trade tax; mixed funds 40% for income tax / 20% for trade tax)		<u>Tax on investment income:</u> Tax exemption
<b>Life and health insurance companies and pension funds where the fund units are attributable to investments</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Corporation income tax and trade tax, insofar as no provision for premium refunds is made in the commercial balance sheet which is also to be recognised for tax purposes, possibly taking into account partial exemptions (equity funds 30% for corporation income tax / 15% on trade tax; mixed funds 15% for corporate income tax / 7.5% for trade tax)		
<b>Banks holding the fund units in the trading portfolio</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Corporation income tax and trade tax, if applicable, taking into account partial exemptions (equity funds 30% for corporation income tax / 15% for trade tax; mixed funds 15% for corporation income tax / 7.5% for trade tax)		
<b>Tax-exempt charitable or church investors (esp. churches, non-profit foundations)</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Tax-free – in addition, corporation income tax incurred at fund level can be reimbursed on application		
<b>Other tax-exempt investors (in particular pension funds, burial funds and provident funds, provided that the requirements set out in the Corporation Income Tax Act are satisfied)</b>	<u>Tax on investment income:</u> Tax exemption  <u>Substantial taxation:</u> Tax-free		

A domestic custody in Germany is assumed. A solidarity surcharge is levied on tax on investment income, income tax and corporation income tax. For the exemption from the deduction of tax on investment income, it may be necessary that certificates are submitted to the custodian institution in time.

### Non-resident taxpayers

If a non-resident taxpayer holds units funds in a custody account held by a German custodian institution, no tax is withheld in respect of distributions, advance lump-sum amounts and gains from the disposal of the units, provided non-resident status can be proven. If the custodian institution is not aware of the non-resident status, or if it is not notified in time, the foreign investor must apply for a refund of the withheld tax pursuant to the Abgabenordnung (Fiscal Code, AO). This is the responsibility of the relevant tax office for the custodian institution.

### Solidarity surcharge

A solidarity surcharge of 5.5% is levied on tax withheld on distributions, advance lump-sum amounts and gains from the disposal of units. The solidarity surcharge may be credited against income tax and corporation tax.

### Church tax

Where income tax has already been withheld by a custodian institution in Germany (withholding agent), the applicable church tax will be paid at the applicable rate of the respective religious community to which the tax payer belongs as a surcharge to the withheld tax. Church tax is taken into account as a special expense at the point at which the withholding tax is deducted.

## Foreign withholding tax

In certain cases foreign withholding taxes are deducted from the foreign gains of the Fund in the country of origin. These withholding taxes cannot be taken into account as a special expense.

## Consequences of the merger of funds

If a German fund is merged with another German fund, this does not result in fair value adjustments from the realisation of “hidden reserves” either at the level of the investor or participating funds, that is, the merger is tax-neutral. The same applies to the transfer of all assets from a German fund to a German closed-end fund with variable capital or a sub-pool of a German closed-end fund with variable capital. If the investors in the fund being transferred receive a cash payment that is provided in the draft terms of mergers, this is treated like a distribution.

## Automatic exchange of information in tax matters

The importance of the automatic exchange of information to combat cross-border tax fraud and cross-border tax evasion has increased significantly at international level in recent years. In 2014, the OECD therefore published on behalf of the G20 a global standard for the automatic exchange of information on financial accounts in tax matters (Common Reporting Standard, hereinafter: “CRS”). The CRS has been agreed by more than 90 states (participating states) through a multilateral agreement. In addition, at the end of 2014, Council Directive 2014/107/EU of 9 December 2014 integrated it into Directive 2011/16/EU on the obligation to exchange information in the field of taxation automatically. The participating states (all EU Member States as well as several third countries) have generally applied the CRS from 2016 with reporting requirements from 2017 onwards. Only individual states (e.g. Austria and Switzerland) are allowed to apply the CRS one year later. Germany has implemented the CRS into German law with the Law on the Automatic Exchange of Financial Account Information (Finanzkonten-Informationsaustauschgesetz) of 21 December 2015 and has applied it since 2016 onwards.

The CRS requires reporting financial institutions (mainly credit institutions) to collect certain information about their clients. Where customers (natural persons or entities) are reportable persons resident in other participating countries (other than, for example, listed corporations or financial institutions), their accounts and securities accounts are classified as reportable accounts. The reporting financial institutions will then transmit certain information to their home tax authority for each reportable account. The latter then transmits the information to the home tax office of the client.

The information to be transmitted essentially concerns the personal data of the client to be reported (name, address, tax identification number, date of birth and place of birth (for natural persons), country of residence) as well as 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); gross total proceeds from the sale or return of financial assets (including fund units).

Consequently, reportable investors holding an account and/or custody account with a credit institution domiciled in a participating state are specifically affected. Therefore, German credit institutions will report information on investors resident in other participating countries to the Federal Central Tax Office, which will forward the information to the respective tax authorities of the countries of residence of the investors. Correspondingly, credit institutions in other participating states will report information about investors residing in Germany to their respective home tax authority, which will forward the information to the Federal Central Tax Office. Finally, it is conceivable that credit institutions based in other participating countries may report information on investors resident in other participating states to their respective home tax authority, which will forward the information to the respective tax authorities of the countries of residence of the investors.

## Service providers

### Investment counselling

Enterprises taking over functions that are outsourced by the Company are set out under outline item “Outsourcing”. In addition, the Company has commissioned the following service providers:

- Investment advisor: CATANA CAPITAL GmbH, Friedensstr. 7, 60311 Frankfurt am Main, Germany

### Outsourcing

The Company has outsourced the following activities:

Compliance, internal auditing, accounting and IT services have been outsourced to group companies, i.e. Talanx AG (compliance and internal auditing), HDI Service AG (accounting) and HDI Systeme AG (IT services). They are associated companies of the Company which may result in conflicts of interest.

## Conflicts of interests

The following conflicts of interests may arise to the Company:

The investor’s interests may conflict with the following interests:

- interests of the Company and its associated companies,
- interests of the Company’s staff or
- interests of other investors in this Fund or other funds.

Circumstances or relationships that may give rise to conflicts of interests particularly comprise:

- incentive systems for staff of the Company,
- personal account dealings,
- bestowals to the Company’s staff,
- shifting in the Fund,
- key date-related improvement of the Fund’s performance (“window dressing”),
- dealings between the Company and the investment funds or individual portfolios managed by it or
- dealings between investment funds managed by the Company and/or individual portfolios,

- consolidation of several orders (“block trades”),
- instruction of related companies and persons,
- individual large-scale investments,
- If, following an oversubscription on a share issue, the Company has subscribed for several investment funds or individual portfolios (“IPO allocations”)
- transactions after the close of trading at the foreseeable closing price of the current day, so-called late trading.

Non-cash benefits (broker research, financial analyses, market and price information systems) may accrue to the Company in connection with transactions entered into for account of the Fund that are used in the investors’ interest when investment decisions are taken.

The remunerations and reimbursements of expenses paid to the custodian and third parties out of the Fund are not repaid to the Company.

The Company grants recurrent agency fees known as “follow-up agency commissions” to intermediaries, such as financial institutions, mainly in yearly intervals.

The Company takes the following organisational measures to deal with conflicts of interests and to identify, prevent, control, observe and disclose conflicts of interests:

- existence of a Compliance Department that controls whether laws and rules are complied with and has to be notified of the conflicts of interests.
- disclosure obligations
- organisational measures, such as
  - the establishment of confidential areas for individual departments to prevent a misuse of confidential information
  - allocation of responsibilities to prevent an improper exercise of influence
  - the separation between trading for the Fund’s own account and customer trading
- rules of conduct for the staff with regard to personal account dealings, obligation to comply with insider legislation
- establishment of appropriate fee systems
- principles governing the consideration of customers’ interests and investor- and investment-specific advice and compliance with the agreed investment policy

- principles governing the best possible execution with regard to the acquisition or sale of financial instruments respectively
- establishment of order acceptances deadlines (cut-off times).

## Annual reports/semi-annual reports/auditors

The annual reports and semi-annual reports can be obtained from the Company. The reports can also be downloaded from the homepage ([www.ampega.com](http://www.ampega.com)).

KPMG AG Wirtschaftsprüfungsgesellschaft / PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft has been appointed as auditor of the Funds and the annual reports. The auditor audits the annual report of the Fund. The auditor must summarise the result of the audit in the auditor's report which has to be included in the annual report in unabridged form. During the audit, the auditor also has to state whether the provisions set out in the Capital Investment Code and in the Terms and Conditions of Investment have been complied with in the management of the Fund. The auditor must submit the report on the audit of the Fund to the Federal Financial Supervisory Authority upon request.

## Payments to investors, distribution of reports and other information

The contract with the custodian ensures that the investors receive the distributions and that units are redeemed. The information set out in this in sales prospectus can be obtained via the channels listed in the section "Fundamentals - sales documents and disclosure of information". Further, these documents may be obtained from the custodian.



## Funds managed by the Company

The following publicly offered funds are managed by the Company:

- ACC Alpha select AMI
- Ampega AmerikaPlus Aktienfonds
- Ampega Balanced 3
- Ampega CrossoverPlus Rentenfonds
- Ampega DividendePlus Aktienfonds
- Ampega Euro Aktien VC Strategie
- Ampega Europa Methodik Aktienfonds
- Ampega EurozonePlus Aktienfonds
- Ampega Faktor StrategiePlus
- Ampega GenderPlus Aktienfonds
- Ampega Global Aktienfonds
- Ampega Global Rentenfonds
- Ampega ISP Dynamik
- Ampega ISP Komfort
- Ampega ISP Sprint
- Ampega Portfolio Global ETF Aktien
- Ampega Real Estate Plus
- Ampega Rendite Rentenfonds
- Ampega Reserve Rentenfonds
- Ampega Responsibility Fonds
- Ampega Unternehmensanleihenfonds
- C-QUADRAT ACTIVE ETF Selection
- C-QUADRAT ARTS Best Momentum
- C-QUADRAT ARTS Total Return Balanced
- C-QUADRAT ARTS Total Return Bond
- C-QUADRAT ARTS Total Return Defensive
- C-QUADRAT ARTS Total Return Dynamic
- C-QUADRAT ARTS Total Return Garant
- C-QUADRAT ARTS Total Return Global AMI
- C-QUADRAT ARTS Total Return Special
- C-QUADRAT ARTS Total Return Vorsorge § 14 EStG
- C-QUADRAT Asian Consumer Fund
- ComfortInvest Perspektive
- ComfortInvest Substanz
- CT Welt Portfolio AMI
- Data Intelligence Fund
- DVAM Mehr Werte AMI
- FVV Select AMI
- GET Capital Quant Global Equity Fonds
- GFS Strategic IV AMI
- Global Emerging Markets Opportunities Conservative
- Global Equity Core AMI
- Global Equity Opportunities AMI
- Global Fixed Income AMI
- GMAX Welt AMI
- Hoppe & Schultz Global Allocation
- Kapitalaufbau Plus AMI
- Kapital Total Return AMI
- Landert Stiftungsfonds AMI
- LOYS Global MH
- MARTAGON Solid Plus
- Max Otte Vermögensbildungsfonds AMI
- Mayerhofer Strategie AMI
- MULTI-LEADERS-FUND NEXT GENERATION
- MULTI LEADERS FUND DEFENSIVE RETURN
- MULTI LEADERS FUND DYNAMIC GROWTH
- MultiManager Fonds 3
- NV Strategie Quattro Plus AMI
- Peacock European Best Value Fonds AMI
- PRO change AMI
- S&H Income and Opportunities
- S&H Smaller Companies EMU
- terrAssisi Aktien I AMI
- terrAssisi Renten I AMI
- terrAssisi Stiftungsfonds I AMI
- Tresides ARRO AMI
- Tresides Balanced Return AMI
- Tresides Commodity One
- Tresides Core Holdings US AMI
- Tresides Dividend & Growth AMI
- Tresides Income Flexible AMI
- Tresides Total Return Commodities AMI
- Value Intelligence ESG Fonds AMI
- Value Intelligence Fonds AMI
- VM Long Term Value
- Wagner & Florack PIC Fund AMI
- Werte & Sicherheit - Nachhaltige Innovationen
- WKR Vermögensbildungsfonds AMI
- Zantke Euro Corporate Bonds AMI
- Zantke Euro High Yield AMI
- Zantke Global Credit AMI

### Special funds

There are also 59 special funds (as of 01 February 2019).

## Notice regarding the purchaser's right of revocation

If the purchase of units in open-end funds is brought about due to oral negotiations off the permanent business premises of the party who sold or arranged the sale of the units, the purchaser is entitled to revoke his declaration indicating his intent to purchase in writing and without giving reasons within a period of two weeks. The purchaser is instructed about the right of revocation in the duplicate of the application form/bought note. The right of revocation shall also apply if the party selling or arranging the sale of the units has no permanent business premises.

There is no right of revocation if the seller proves that (i) the purchaser is not a natural person who concludes the legal transaction for a purpose that cannot be attributed to their professional activity (consumer) or (ii) a negotiation has been conducted on the purchaser's initiative, i.e. the seller has visited the purchaser for negotiation purposes on the basis of the purchaser's previous order. There is no right of revocation for contracts which have been brought about exclusively by means of distance communication (e.g. letters, phone calls, e-mails) (distance contracts on financial services).

# Information on the investment company

## Management company

Ampega Investment GmbH  
Charles-de-Gaulle-Platz 1  
50679 Cologne  
P.O. Box 10 16 65  
50456 Cologne  
Germany

Phone +49 (221) 790 799-799  
Fax +49 (221) 790 799-729  
Email [fonds@ampega.com](mailto:fonds@ampega.com)  
Web [www.ampega.com](http://www.ampega.com)

Local Court (Amtsgericht) of Cologne: HRB 3495  
VAT ID No. DE 115658034

Subscribed capital: EUR6m (as at 1 February 2019)  
The subscribed capital has been paid up in full.

## Shareholders

Ampega Asset Management GmbH (94.9%)  
Alstertor Erste Beteiligungs- und Investitionssteuerungs-  
GmbH & Co. KG (5.1%)

## Supervisory Board

Harry Ploemacher  
Chairman  
Chairman of the Board of Management  
of Ampega Asset Management GmbH, Cologne

Dr. Immo Querner  
Vice-Chairman  
Member of the Managing Board of Talanx AG, Hanover

Norbert Eickermann  
Member of the Managing Board of  
HDI Vertriebs AG, Hanover

Prof. Dr. Alexander Kempf  
Director of the Department of  
Business Administration and Finance, Cologne

Dr. jur. Dr. rer. pol. Günter Scheipermeier  
Lawyer, Cologne

## Management

Dr. Thomas Mann  
Spokesman  
Member of the Board of Management of  
Ampega Asset Management GmbH, Cologne

Jörg Burger (until 31 December 2018)

Manfred Köberlein

Jürgen Meyer (from 1 January 2019)

Ralf Pohl

## Custodian

Hauck & Aufhäuser Privatbankiers AG  
Kaiserstr. 24  
60311 Frankfurt am Main  
Germany

## Auditors

KPMG AG  
Wirtschaftsprüfungsgesellschaft (until 31 December 2018)

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft (from 1 January 2019)

## Outsourcing

Compliance, internal auditing, accounting and IT services were outsourced to group companies, i.e. to Talanx AG (compliance and internal auditing), HDI Service AG (accounting) and HDI Systeme AG (IT services).

## Investment Advisor

CATANA CAPITAL GmbH  
Friedensstr. 7  
60311 Frankfurt am Main  
Germany

## Supervisory Authority

Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)  
(Federal Financial Supervisory Authority)  
Marie-Curie-Straße 24-28  
60439 Frankfurt am Main  
Germany

**Information on any changes is provided in the periodic semi-annual and annual reports as well as on the homepage of Ampega Investment GmbH ([www.ampega.com](http://www.ampega.com)).**

# General Terms and Conditions of Investment

governing the legal relationship between the Investors and Ampega Investment GmbH, (Cologne), (hereinafter referred to as the “Company”) for the funds managed by the Company in accordance with the UCITS Directive that only apply in conjunction with the “Special Terms and Conditions of Investment” set for the respective UCITS fund.

## 1. Fundamentals

1. The Company is a UCITS Investment management company and is subject to the provisions of the Kapitalanlagegesetzbuch (Capital Investment Code, KAGB).
2. The Company invests the money deposited with it in its own name for joint account of the investors in accordance with the principles of diversification in the assets permitted by the Capital Investment Code and separated from its own assets in the form of UCITS funds. The resulting rights of investors are vested in global certificates.
3. The business purpose of the UCITS fund is restricted to investments in accordance with a preset investment strategy in the scope of a collective management of assets by means of the funds invested in it; an operating activity and an active entrepreneurial control of the assets held is excluded.
4. The legal relationship between the Company and the investor is governed by the General Terms and Conditions of Investment (GTCIs) and the Special Terms and Conditions of Investment (STCIs) of the UCITS fund and the Capital Investment Code.

## 2. Custodian

1. The Company shall appoint a financial institution as custodian; the custodian shall act independently of the Company and exclusively in the interest of the investors.
2. The custodian is obliged to perform the tasks and duties prescribed by the custodian agreement entered into with the Company, the Capital Investment Code as well as the Terms and Conditions of Investment.
3. The custodian may outsource custodial duties to another company (sub-custodian) in accordance with section 73 of the Capital Investment Code. The sales prospectus contains further guidance in this respect.
4. The custodian is liable towards the UCITS fund or the investors for the loss of a financial instrument held in custody in accordance with section 72 (1) no.1 of the Capital Investment Code that is caused by the custodian or a sub-custodian to which the custody of financial instruments pursuant to section 73 (1) of the Capital Investment Code was delegated. The custodian is not liable if it is able to prove that the loss is due to external occurrences whose consequences were inevitable despite the taking of all appropriate countermeasures. Further claims arising from the civil-law provisions due to contracts or tortious acts remain unaffected. The custodian is also liable towards the UCITS fund or the investors for all other losses sustained by the latter as a result of intentional or negligent non-performance of the obligations set out in the Capital Investment Code by the custodian. The custodian's liability remains unaffected by a potential transfer of the custodial duties as specified in paragraph 3 sentence 1.

## 3. Fund management

1. The Company shall acquire and manage the assets in its own name for joint account of the investors with due expertise, honesty, care and diligence. It shall act independently of the custodian in performing its duties and exclusively in the interest of the investors.
2. The Company is entitled to acquire the assets using the money deposited by the investors, to re-sell these and to invest the proceeds elsewhere; it is further authorised to conduct all legal actions arising from the management of the assets.
3. The Company must not grant cash loans for joint account of the investors nor enter into surety obligations or guarantees; it must not sell any assets as defined in sections 193, 194 and 196 of the Capital Investment Code that do not belong to the UCITS fund at the point that the transaction is concluded. This is without prejudice to section 197 of the Capital Investment Code.

## 4. Investment principles

The UCITS fund is directly or indirectly invested in accordance with the principle of risk diversification. The Company shall only acquire such assets for the UCITS fund

that are expected to produce a return and/or capital growth. It shall declare in the STCIs which assets may be acquired for the UCITS fund.

## 5. Securities

Unless the STCIs include any further restrictions, the Company may only acquire securities for account of the UCITS fund if, subject to section 198 of the Capital Investment Code:

- a. they are admitted for trading on a stock exchange in a Member State of the European Union or a state party to the Agreement on the European Economic Area or are admitted to or included in another organised market;
- b. they are exclusively admitted for trading on a stock exchange outside the Member States of the European Union or the states party to the Agreement on the European Economic Area or admitted to another organised market or included in such market provided that that the selection of this stock exchange or this organised market is authorised by the Federal Financial Supervisory Authority<sup>1</sup>.
- c. their conditions of issue stipulate that admission for trading on a stock exchange or their admission to or inclusion in an organised market in a Member State of the European Union or a state party to the Agreement on the European Economic Area is to be applied for, provided that the admission or inclusion of these securities takes place within one year of their issue;
- d. their conditions of issue stipulate that admission for trading on a stock exchange outside a Member State of the European Union or a state party to the Agreement on the European Economic Area or their admission to or inclusion in an organised market outside a Member State of the European Union or a state party to the Agreement on the European Economic Area is to be applied for, provided the selection of this stock exchange or this organised market is approved by the Federal Financial Supervisory Authority and the admission or inclusion of these securities takes place within one year of their issue;
- e. they are equities to which the UCITS fund is entitled in the course of a capital increase from company reserves;
- f. they were acquired in the exercise of subscription rights that belong to the UCITS fund;
- g. they are units in closed-end funds that satisfy the criteria set out in section 193 (1) sentence 1 no. 7 of the Capital Investment Code;
- h. they are financial instruments that satisfy the criteria set out in section 193 (1) sentence 1 no. 8 of the Capital Investment Code.

The securities described in sentence 1 letters a) to d) may only be acquired if the requirements of section 193 (1) sentence 2 of the Capital Investment Code are additionally satisfied. Subscription rights arising from securities may be acquired, which, in turn, may be acquired pursuant to the present section 5.

## 6. Money market instruments

1. Notwithstanding any further restrictions contained in the STCIs, the Company may, subject to section 198 of the Capital Investment Code, acquire for account of the UCITS fund instruments that are usually traded on the money markets and interest-bearing securities that have a residual term to maturity of no more than 397 days at the point of acquisition by the UCITS fund, for which the interest payments are adjusted regularly throughout their term, and at least once within the 397 days, in line with market rates or whose risk profile corresponds to the risk profile of such securities (money market instruments). Money market instruments may only be acquired for the UCITS fund if they:
  - a. are admitted for trading on a stock exchange in a Member State of the European Union or a state party to the Agreement on the European Economic Area or are admitted to or included in another organised market;
  - b. are exclusively admitted for trading on a stock exchange outside the Member States of the European Union or the states party to the Agreement on the European Economic Area or admitted to another organised market or included in such market provided that that the selection of this stock exchange or this organised market is authorised by the Federal Financial Supervisory Authority;
  - c. are issued or guaranteed by the European Communities, the Federal Government, a special fund of the German Federal Government, a German Federal

<sup>1</sup> The list of stock exchanges is published on the homepage of the Federal Financial Supervisory Authority ([www.bafin.de](http://www.bafin.de))

<sup>2</sup> please see footer 1

- State, another Member State or another central-state, regional or local authority or the central bank of a Member State of the European Union, the European Central Bank or the European Investment Bank, a third state or, if this is a Federal State, a constituent state of such Federal State, or an international public-law institution of which at least one Member State of the European Union is a member;
- d. are issued by a company whose securities are traded on the markets described in letters a. and b.;
  - e. are issued or guaranteed by a financial institution that is subject to supervision in compliance with the criteria set down by European Community law, or a financial institution that is subject to supervision and is considered by the Federal Financial Supervisory Authority to be equivalent to those of European Community law and complies with this; or
  - f. are issued by other issuers and satisfy the requirements of section 194 (1) sentence 1 no. 6 of the Capital Investment Code.
2. Money market instruments as defined in paragraph 1 may only be acquired if they satisfy the relevant requirements of section 194 (2) and (3) of the Capital Investment Code.

### 7. Bank deposits

The Company may hold bank deposits for account of the UCITS fund that have a term of no more than twelve months. The deposits, which must be held in blocked accounts, may be held at a financial institution headquartered in a Member State of the European Union or a state party to the Agreement on the European Economic Area; the deposits may also be held with a financial institution headquartered in a third state whose supervisory provisions the Federal Financial Supervisory Authority considers to be equivalent to those of European Community law. Provided nothing to the contrary is specified in the STCIs, the bank deposits may also be denominated in a foreign currency.

### 8. Investment units

1. Provided nothing to the contrary is specified in the STCIs, the Company may acquire units in funds as defined by Directive 2009/65/EC (UCITS) for account of the UCITS fund. Units in other German funds and closed-end funds with variable capital as well as units in open-end EU AIF and as foreign open-end AIF may be acquired provided they comply with the requirements of section 196 (1) sentence 2 of the Capital Investment Code.
2. The Company may only acquire units in German funds and closed-end funds with variable capital, EU UCITS in open-end EU AIF and in foreign open-end AIF if the terms and conditions of investment or the Articles of Association of the investment management company, the closed-end fund with variable capital, the EU investment fund, the EU management company of the foreign AIF or the foreign AIF management company permit a total of no more than 10% of the value of their assets to be invested in units of other German funds, closed-end funds with variable capital, open-end EU investment funds or foreign open-end AIF.

### 9. Derivatives

1. Provided nothing to the contrary is specified in the STCIs, the Company may use derivatives in its management of the UCITS fund in accordance with section 197 (1) sentence 1 of the Capital Investment Code and financial instruments with a derivative component in accordance with section 197 (1) sentence 2 of the Capital Investment Code. Dependent on the type and volume of the derivatives and financial instruments with a derivative component, the Company may use either the simple or qualified approach as defined by the "Ordinance on Risk Management and Risk Measurement upon the Use of Derivatives, Loans on Securities and Repurchase Transactions in Investment Funds pursuant to the Capital Investment Code" (Derivateverordnung, DerivateV), enacted under section 197 (3) of the Capital Investment Code to determine the extent to which the market risk threshold set pursuant to section 197 (2) of the Capital Investment Code for the use of Derivatives and financial instruments with a derivative component has been reached; the sales prospectus contains further guidance in this respect.
2. If the Company uses the simple approach, it may only use basic types of derivative and financial instruments with a derivative component or combinations of these derivatives, financial instruments with a derivative component as well as underlying assets permitted under section 197 (1) sentence 1 of the Capital Investment Code in the UCITS fund. Complex derivatives with underlying assets pursuant to section 197 (1) sentence 1 of the Capital Investment Code may only be used to a negligible extent. The attributable amount of the UCITS fund determined pursuant to section 16 of the Derivatives Ordinance for the market risk must not exceed the value of the fund at any time. Basic forms of derivatives are:
  - a. futures contracts on the underlying assets pursuant to section 197 (1) of the Capital Investment Code with the exception of investment units as defined in section 196 of the Capital Investment Code;
  - b. options or warrants on the underlying assets pursuant to section 197 (1) of the Capital Investment Code with the exception of investment units pursuant to

section 196 of the Capital Investment Code and on futures as per letter a) if they exhibit the following characteristics:

- aa. they may be exercised during the overall term or at the end of the term and
  - bb. the option value at the point of exercise is directly dependent on the positive or negative difference between the strike price and market price of the underlying asset and will be zero if the difference has the opposite sign;
  - c. interest rate swaps, currency swaps or interest rate/ currency swaps;
  - d. options on swaps as defined in letter c) provided they exhibit the characteristics described in lit. aa) and bb) of letter b) (swaptions);
  - e. credit default swaps that refer to one single underlying value (single name credit default swaps).
3. If the Company uses the qualified approach, it may - subject to a suitable risk management system - invest in any financial instruments with a derivative component or derivatives that are derived from an underlying asset permissible under section 197 (1) sentence 1 of the Capital Investment Code.
- In this respect the potential risk sum attributable to the UCITS fund for the market risk ("risk amount") must not exceed twice the potential risk amount for the market risk of the respective benchmark asset pursuant to section 9 of the Derivatives Ordinance. Alternatively, the risk amount must never exceed 20% of the value of the UCITS fund.
4. Under no circumstances may the Company deviate from the investment principles and thresholds set out in the Terms and Conditions of Investment and in the sales prospectus in the course of such transactions.
  5. The Company shall use derivatives and financial instruments with a derivative component for the purposes of hedging, efficient portfolio management and the generation of additional income if and to the extent that it deems this to be in the investors' interests.
  6. When determining the market risk threshold for the use of derivatives and financial instruments with a derivative component, the Company may switch from the simple to the qualified approach pursuant to section 6 Clause 3 of the Derivatives Ordinance at any time. The switch does not require the approval of the Federal Financial Supervisory Authority; however, the Company must notify the Federal Financial Supervisory Authority of the switch immediately and announce it in the next semi-annual or annual report.
  7. When using Derivatives and financial instruments with a derivative component the Company shall comply with the Derivatives Ordinance.

### 10. Other investment instruments

Unless any contrary provisions are specified in the STCIs, the Company may for account of the UCITS fund acquire other investment instruments up to a total of 10% of the value of the UCITS fund pursuant to section 198 of the Capital Investment Code.

### 11. Issuer limits and investment restrictions

1. The Company shall observe the limits and restrictions imposed by the Capital Investment Code, the Derivatives Ordinance and in the terms and conditions of investment.
2. Securities and money market instruments, including securities purchased under repurchase agreements and money market instruments of the same issuer, may be acquired up to 5% of the value of the UCITS fund; however, up to 10% of the value of the UCITS fund may be invested in such securities if this is provided in the STCIs and the total value of the securities and money market instruments of these issuers does not exceed 40% of the value of the UCITS fund.
3. The Company may invest up to 35% of the value of the UCITS fund in any bonds, promissory note loans and money market instruments that are issued or guaranteed by the Federal Government, a German Federal State, the European Communities, a Member State of the European Union or its local authorities, a state party to the Agreement on the European Economic Area, a third state or an international organisation to which at least one Member State of the European Union belongs.
4. The Company may invest up to 25% of the value of the UCITS fund in mortgage debentures (Pfandbriefe) and municipal bonds and in bonds issued by financial institutions headquartered in a Member State of the European Union or a state party to the Agreement on the European Economic Area if such financial institutions are subject to special public supervision by law for the protection of the holders of these bonds and the moneys received on the issue of the bonds are invested in line with statutory provisions in assets that adequately cover the liabilities arising from them over the full term of the bonds and that are used with a priority for redemption payments and any interest that falls due should the issuer default. If the Company invests more than 5% of the value of the UCITS fund in bonds of the same issuer pursuant to sentence 1, the total value of these bonds must not exceed 80% of the value of the UCITS fund.



5. The limit set in paragraph 3 may be exceeded pursuant to section 206 (2) of the Capital Investment Code for securities and money market instruments from the same issuer provided that the STCIs permit this for that particular issuer. In such cases the securities and money market instruments held for account of the UCITS fund must derive from at least six different issues, whereby no more than 30% of the Fund may be held in a single issue.
6. The Company may only invest up to 20% of the value of the UCITS fund in bank deposits at any one financial institution pursuant to section 195 of the Capital Investment Code.
7. The Company must ensure that a combination of:
  - a. securities or money market instruments issued by one and the same institution,
  - b. deposits at that institution, and
  - c. the applicable amounts for the counterparty risk of the transactions entered into with this institution,
 do not exceed 20% of the value of the UCITS fund. Sentence 1 applies to the issuers and guarantors named in paragraphs 3 and 4 subject to the obligation on the Company to ensure that a combination of the assets and applicable amounts specified in sentence 1 do not exceed 35% of the value of the UCITS fund. This is without prejudice to the respective individual upper limits in both cases.
8. The bonds, promissory note loans and money market instruments specified in paragraphs 3 and 4 are not taken into account when the limits of 40% as specified in paragraph 2 are used. Notwithstanding the provision in paragraph 7, the limits specified in paragraphs 2 to 4 and paragraphs 6 to 7 must not be aggregated.
9. The Company may only invest up to 20% of the value of the UCITS fund in units in a single investment fund in accordance with section 196 (1) of the Capital Investment Code. The Company may only invest up to 30% of the value of the UCITS fund in units in investment funds in accordance with section 196 (1) sentence 2 of the Capital Investment Code. The Company may acquire no more than 25% of the issued units of another German, EU or foreign open-end investment fund that is invested in assets according to the principle of diversification and in accordance with sections 192 to 198 of the Capital Investment Code, for account of the UCITS fund.

## 12. Merger

1. The Company may, in accordance with sections 181 to 191 of the Capital Investment Code:
  - a. transfer all assets and liabilities of this UCITS fund to another existing fund or another UCITS fund newly created as a result of the merger or an EU UCITS or a UCITS closed-end fund with variable capital;
  - b. admit all assets and liabilities of another open-end fund to this UCITS fund;
2. The merger requires the approval of the respective supervisory authority. The details of the procedure are contained in sections 182 to 191 of the Capital Investment Code.
3. The UCITS fund may only be merged with a fund that is no UCITS if the acquiring or newly established investment fund continues to be a UCITS. Mergers of an EU UCITS with the UCITS fund may also take place in accordance with the provisions of article 2 (1) lit. p figure iii of Directive 2009/65/EC.

## 13. Loans on securities

1. The Company may, for account of the UCITS fund, grant a loan on securities to a securities borrower for a fee in line with market rates on the provision of sufficient collateral pursuant to section 200 (2) of the Capital Investment Code that may be called in at any time, provided that the market value of the securities being transferred along with the market value of the securities already transferred to the same securities borrower including companies belonging to the group within the meaning of section 290 of the Handelsgesetzbuch (German Commercial Code, HGB) as a securities loan for account of the UCITS fund does not exceed 10% of the value of the UCITS fund.
2. If the collateral for the transferred securities provided by the securities borrower is maintained in accounts, the deposits must be held in blocked accounts as defined under section 200 (2) sentence 3 no. 1 of the Capital Investment Code. Alternatively the Company may invest these accounts in the currency of the account:
  - a. in high-quality bonds that have been issued by the German Federal Government, a German Federal State, the European Union, a Member State of the European Union or its local authorities, another state party to the Agreement on the European Economic Area or a third country
  - b. in money market funds with a short-term structure in accordance with the guidelines issued by the Federal Financial Supervisory Authority on the basis of clause 4 sentence 2 of the Capital Investment Code; or
  - c. by way of a reverse repurchase agreement with a financial institution that ensures that accrued accounts are recovered at any time.
 The income from the investment of the collateral is due to the UCITS fund.

3. The Company may also make use of an organised system for brokering and settling securities loans provided by a depository for securities or another company specified in the STCIs whose business activity comprises the settlement of cross-border securities transactions for third parties that deviates from the requirements of sections 200 and 201 of the Capital Investment Code if the regulations governing the system ensure that the interests of the investors are upheld and there is no deviation from the right to call in the loan at any time as specified in paragraph 1.
4. Provided nothing to the contrary is specified in the STCIs, the Company may also grant loans on securities in relation to money market instruments and investment units, provided that these assets may be acquired by the UCITS fund. The provisions of paragraphs 1 to 3 apply analogously in this respect.

## 14. Repurchase agreements

1. The Company may, for account of the UCITS fund, enter into securities repurchase agreements as defined by section 340 b (2) of the German Commercial Code with financial institutions or financial services institutions for a fee at any time on the basis of standardised framework contracts.
2. The repurchase agreements must be based on securities that may be acquired for the UCITS fund in accordance with its terms and conditions of investment.
3. The repurchase agreements may have a term of no more than twelve months.
4. Provided nothing to the contrary is specified in the STCIs, the Company may also enter into repurchase agreements in respect of money market instruments and investment units, provided that the UCITS fund may acquire these assets. The provisions of paragraphs 1 to 3 apply analogously in this respect.

## 15. Borrowing

The Company may enter into short-term borrowing arrangements of up to 10% of the value of the UCITS fund for joint account of the investors if the conditions of the borrowing are on standard market terms and the custodian approves the borrowing.

## 16. Units

1. The unit certificates to be securitised in a global certificate are made out to the holder.
2. The rights of the units may vary, in particular in respect of the appropriation of earnings, the front-end fee, the redemption fee, the unit currency, the management fee, the minimum investment amount or a combination of these features (unit classes). The details are set out in the STCIs.
3. The units are transferable unless otherwise provided for in the STCIs. The rights chartered in a unit shall be transferred upon its transfer. In any case, the unit holder is deemed to be the party entitled vis-à-vis the Company.
4. The rights of the investors or the rights of the investors of one unit class are chartered in a global certificate. The unit certificates must bear at least the handwritten or facsimile signatures on behalf of the Company and the custodian.
5. The right to an issue of individual certificates is excluded. To the extent effective denominations were issued for the UCITS fund in the past and they are not subject to collective custody at one of the institutions specified in section 97 (1) sentence 2 KAGB after 31 December 2016, these effective denominations will be null and void after 31 December 2016. Units of investors will instead be vested in a global certificate and credited to a separate custody account of the custodian institution. By submitting a null and void effective denomination to the custodian institution, the depositor may request the crediting of a relevant unit to a custody account to be designated by him and kept for him. Effective denominations that are in collective custody at one of the offices listed in section 97 (1) sentence 2 KAGB after 31 December 2016 may be converted into a global certificate at any time.

## 17. Issue and redemption of units, suspension of redemption

1. There is no limit on the number of the issued units that may be issued. The Company reserves the right to discontinue the issue of units either temporarily or permanently.
2. The units may be acquired from the Company, the custodian or through third-party intermediaries. The STCIs may provide that units may be acquired or held only by certain investors.
3. The investors have the right to request that the Company redeems their units. The Company is obliged to redeem the units at the applicable redemption price for account of the UCITS fund. The custodian is the redemption agent.
4. However, the Company reserves the right to suspend redemption of the units pursuant to section 98 (2) of the Capital Investment Code in the event of extraordinary circumstances that render suspension necessary, taking the interests of the investors into account.
5. The Company shall notify the investors of the suspension of redemption and its resumption via a notification in the electronic Federal Gazette as well as in a



sufficiently widely-distributed financial or daily newspaper or in the electronic information media specified in the sales prospectus pursuant to paragraph 4. Investors shall be immediately notified about the suspension and resumption of the redemption of the units on the announcement in the electronic Federal Gazette by durable medium.

#### 18. Subscription and redemption prices

1. To calculate the subscription and redemption price of the units, the market values of the assets belonging to the UCITS fund are determined less the loans taken up and other liabilities (net asset value) and divided by the number of units in circulation (unit value). If different unit classes are introduced for the UCITS fund in accordance with clause 16 paragraph 2, the unit value and the subscription and redemption price is to be calculated separately for each unit class. The assets are valued in accordance with sections 168 and 169 of the Capital Investment Code and the Kapitalanlage-Rechnungslegungs- und Bewertungsverordnung (Investment Fund Accounting and Valuation Directive, KARBV).
2. The subscription price is equal to the unit value in the UCITS fund plus any front-end fee specified in the STCIs pursuant to section 165 (2) no. 8 of the Capital Investment Code. The redemption price is equal to the unit price in the UCITS fund less any redemption fee specified in the STCIs pursuant to section 165 (2) no. 8 of the Capital Investment Code.
3. The settlement date for unit subscriptions and redemption orders shall be no later than the next valuation date following the request for subscription or redemption, unless otherwise specified in the STCIs.
4. The subscription and redemption prices are calculated on each trading day. Unless otherwise specified in the STCIs, the Company and custodian need not determine the value on public holidays that are trading days and on 24 and 31 December of each year; further guidance is contained in the sales prospectus.

#### 19. Costs

The STCIs list the fees payable to the Company, the custodian and third parties that may be charged to the UCITS fund. The STCIs are further required to detail the method, the amount calculation basis of any fees defined in sentence 1.

#### 20. Accounts

1. No later than four months after expiry of the UCITS fund's financial year, the Company shall publish an annual report including a statement of income and expenditure in accordance with section 101 (1), (2) and (4) of the Capital Investment Code.
2. No later than two months after the middle of the financial year the Company shall publish a semi-annual report in accordance with section 103 of the Capital Investment Code.
3. If during the financial year the right to manage the UCITS fund is transferred to another investment management company or if the UCITS fund is merged with another UCITS fund, a closed-end fund with variable capital or an EU UCITS during the financial year, the Company shall produce an semi-annual report for the transfer date that complies with the requirements of an annual report in accordance with paragraph 1.
4. If the UCITS fund is liquidated, the custodian shall produce a liquidation report annually and also for the day on which the liquidation concludes that complies with the requirements of an annual report in accordance with paragraph 1.
5. The reports may be obtained from the Company and the custodian and other agents specified in the sales prospectus and in the key investor information; they are also published in the electronic Federal Gazette.

#### 21. Termination and liquidation of the UCITS fund

1. The Company may terminate the management of the UCITS fund by giving at least six months' notice via a notice in the electronic Federal Gazette and additionally in the annual report or semi-annual report. The investors shall be notified of any termination in accordance with sentence 1 via an announcement on a durable medium without delay.
2. The Company's right to manage the UCITS fund lapses when the termination takes effect. In this case the UCITS fund, or the right of disposal over the UCITS fund, is transferred to the custodian, which must liquidate the assets and distribute them to the investors. For the period of the liquidation the custodian may claim any fees for the liquidation and a reimbursement of its expenses required for the liquidation. With the approval of the Federal Financial Supervisory Authority, the custodian may opt out of the liquidation and distribution and transfer the management of the UCITS fund to another investment company in accordance with the existing terms and conditions of investment.
3. The Company must produce a liquidation report for the day on which its right to manage the UCITS fund lapses pursuant to section 99 of the Capital Investment Code that complies with the requirements of an annual report as specified in section 20 (1).

#### 22. Change of management company and custodian

1. The Company may delegate the management right and the right to dispose of the UCITS fund to another management company. The transfer is subject to prior approval by the Federal Financial Supervisory Authority.
2. The approved transfer shall be published in the Federal Gazette and moreover in the annual report or semi-annual report. Investors shall immediately be informed of a transfer publicised pursuant to sentence 1 by means of a durable medium. The transfer will take effect no earlier than three months after its publication in the Federal Gazette.
3. The Company may change the custodian for the UCITS fund. The change requires the approval of the Federal Financial Supervisory Authority.

#### 23. Changes to the terms and conditions of investment

1. The Company may amend the terms and conditions of investment.
2. Amendments to the terms and conditions of investment require prior approval of the Federal Financial Supervisory Authority. If the amendments subject to sentence 1 affect the investment principles of the UCITS fund, they require the prior ratification by the Company's supervisory board.
3. All proposed amendments shall be published in the electronic Federal Gazette and also in a financial or daily newspaper with a sufficiently wide circulation or in the electronic information media set out in the sales prospectus. Publications made in accordance with sentence 1 must specify the intended amendment and its effective date. In the event of amendments to fees and expenses pursuant to section 162 (2) no. 11 of the Capital Investment Code, amendments to the investment principles of the UCITS fund as defined by section 163 (3) of the Capital Investment Code or amendments relating to material investor rights, the investors are to be notified of the material content of the intended amendments to the terms and conditions of investment and their background and information about their rights pursuant to section 163 (3) of the Capital Investment Code in plain language by durable medium pursuant to section 163 (4) of the Capital Investment Code at the same time that the publication in accordance with sentence 1 is made.
4. The amendments shall take effect no earlier than the day after their publication in the electronic Federal Gazette; amendments to the cost and investment principles shall not take effect until at least three months after the corresponding publication.

#### 24. Place of performance, jurisdiction

The place of performance is the place at which the Company has its registered office.

# Special Terms and Conditions of Investment

governing the legal relationship between the investors and Ampega Investment GmbH, Cologne (the "Company") for the fund managed by the Company in accordance with the UCITS Directive Data Intelligence Fund that only apply in conjunction with the "General Terms and Conditions of Investment" set by the Company for this fund.

## Investment principles and investment limits

### 1. Assets

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

1. securities pursuant to clause 5 of the General Terms and Conditions of Investment (hereinafter referred to as "GTCLs")
2. money market instruments pursuant to clause 6 of the GTCLs,
3. bank deposits pursuant to clause 7 of the GTCLs,
4. investment units pursuant to clause 8 of the GTCLs,
5. derivatives pursuant to clause 9 of the GTCLs,
6. other investment instruments pursuant to clause 10 of the GTCLs.

### 2. Investment limits

1. At least 51% of the value of the UCITS fund shall be invested in equity participations within the meaning of section 2 (8) of the German Investment Tax Act. Equity participations within this meaning are
  - interests in corporations admitted for official trading on a stock exchange or are admitted to another organised market or included in such market;
  - interests in corporations domiciled in a Member State of the European Union or another contracting state to the Agreement on the European Economic Area which are subject to the taxation of revenue for corporations there and are not exempt from such taxation;
  - interests in corporations domiciled in a third country which are subject to a taxation of revenue for corporations at a rate of at least 15% there and are not exempt from such taxation;
  - interests in other investment funds, either at the rate of the quota of their value published on each valuation day, at which they actually invest in the aforementioned shares in corporations or in the amount of the minimum quota specified in the other investment fund's terms of investment

The equity participations purchased under repurchase agreements are to be included in the investment limits of section 206 (1) to (3) of the Capital Investment Code.

2. Up to 100% of the value of the UCITS fund may be invested in securities as set out in clause 5 of the GTCLs. These are essentially equities and interest-bearing securities. The securities purchased under repurchase agreements are to be included in the investment limits of section 206 (1) to (3) of the Capital Investment Code.
3. Up to 49% of the value of the UCITS fund may be invested in money market instruments as set out in clause 6 of the GTCLs. The money market instruments purchased under repurchase agreements are to be included in the investment limits of section 206 (1) to (3) of the Capital Investment Code.
4. Up to 49% of the value of the UCITS fund may be held in bank deposits in accordance with clause 7 sentence 1 of the GTCLs.
5. Up to 10% of the value of the UCITS fund may be invested in investment units in accordance with clause 8 of the GTCLs. The investment units purchased under repurchase agreements are to be included in the investment limits of sections 207 and 210 (3) of the Capital Investment Code.
6. The Company may deploy derivatives pursuant to clause 9 of the GTCLs in its management of the UCITS fund. Further guidelines are contained in the sales prospectus.

### 3. Investment committee

The Company may consult an investment committee in selecting the assets to be acquired and disposed of for the UCITS fund.

## Unit classes

### 4. Unit classes

1. Unit classes as defined by clause 16 paragraph 2 of the GTCLs may be created for the UCITS fund that vary in respect of the appropriation of earnings, the front-end fee, the currency of the unit value including the use of currency hedging transactions, the management fee, the custodian fee, the distribution fee, the performance fee, the fee for the consulting firm, the minimum investment sum or a combination of these features. Unit classes may be created at any time at the discretion of the Company.
2. Currency hedging transactions may be entered into for the exclusive benefit of a single currency unit class. For currency unit classes with currency hedging for the benefit of the currency of this unit class (reference currency), the Company may independently of clause 9 of the GTCLs use derivatives as defined by section 197 of the Capital Investment Code based on exchange rates or currencies with the aim of avoiding losses in unit value attributable to exchange rate losses of UCITS fund assets not denominated in the reference currency of the unit class.
3. The unit value is calculated separately for each unit class in that the costs of the creation of new unit classes, the distributions (including any taxes due to be paid from the fund assets), the management fee, the custodian fee, the distribution fee, the fee of the consulting firm, the performance fee and the proceeds of currency hedging transactions that are attributable to a specific unit class, where applicable including income equalisation, are allocated exclusively to this unit class.
4. The existing unit classes are individually listed both in the sales prospectus and also in the annual and semi-annual report. The features that define the unit classes (appropriation of earnings, front-end fee, currency of unit value, management fee, custodian fee, distribution fee, the fee of the consulting firm, performance fee, minimum investment sum or a combination of these features) are described in detail in the sales prospectus and in the annual and semi-annual report.

## Unit certificates, subscription price, redemption price, redemption of units and costs

### 5. Units

The investors own an interest in the respective assets of the UCITS fund as co-owners in proportion to the number of units held.

### 6. Subscription and redemption price

1. The Company shall specify the front-end fees charged for each unit class in the sales prospectus, in the key investor information and in the annual and semi-annual report.
2. The front-end fee comprises up to 600% of the value of each unit, irrespective of the unit class. The Company is entitled to charge a lower front-end fee for one or more unit classes or to waive the front-end fee altogether. Further guidelines are contained in the sales prospectus.
3. Clause 18 paragraph 3 of the GTCLs notwithstanding, the settlement date for subscription and redemption requests shall be no later than the second valuation day that follows the receipt of the subscription or redemption request. Further guidelines are contained in the sales prospectus.
4. No redemption fee is charged.
5. Clause 18 paragraph 4 of the GTCLs notwithstanding, a determination of the subscription and redemption price can be waived on public holidays in North Rhine-Westphalia that are no trading days. Further guidelines are contained in the sales prospectus.

### 7. Costs

1. Fees to be paid to the Company

The Company shall receive a fee for managing the UCITS fund of up to 2.00% per annum of the value of the UCITS fund based on the net asset value determined on each trading day. The management fee is deducted from the UCITS fund on a monthly basis. The Company is entitled to deduct a lower management fee for

one or several unit classes. Further guidelines are contained in the sales prospectus.

#### 2. Custodian fee

The custodian shall receive a daily fee for its activity of up to 0.07% p.a. of the value of the UCITS fund, but not less than EUR400.000 plus VAT per month as from the second financial year and at EUR800 plus VAT per month as from the third financial year, that is calculated and deducted in accordance with paragraph 1. The Company is entitled to deduct a lower custodian fee for one or more unit classes. Further guidelines are contained in the sales prospectus. 3. Fees to be paid to third parties

a. Up to 0.05% p.a. of the value of the UCITS fund on the basis of the net asset value determined on each trading day for legally required representatives and tax representatives. The fee is not covered by the management fee set out in paragraph 1 and thus charged additionally to the fund.

b. Up to 0.10% p.a. of the value of the UCITS fund on the basis of the net asset value of third-party fees and compensation for services that the Company uses to conclude and manage derivatives transactions and to manage collateral of such derivatives transactions. This includes, in particular, third-party services in the context of compliance with Regulation (EU) No. 648/2012 European Market Infrastructure Regulation (EMIR), including notification to trade repositories, as well as services relating to legal entity identifiers and the central clearing of OTC derivatives. The fee is not covered by the management fee set out in paragraph 1 and thus charged additionally to the fund.

#### 4. Admissible annual maximum amount

The amount that is deducted as a fee from the UCITS fund each year in accordance with clauses 1, 2, 3a), 3b) may amount to up to 2.22% p.a. of the value of the UCITS fund calculated on the basis of the net asset value determined on each trading day.

#### 5. Expenses

Alongside the fees described in the preceding paragraphs, the following expenses may also be charged to the UCITS fund:

- a. standard bank custody account fees, where applicable including costs of holding foreign assets overseas;
- b. costs for the print and dispatch of the sales documents required by law (annual and semi-annual reports, sales prospectus, key investor information) intended for the investors;
- c. costs of publication of the annual and semi-annual reports, the subscription and redemption prices and the distributions or accumulations and the liquidation report as required;
- d. costs for the creation and use of a permanent data carrier, except in case of providing information on the merger of funds and on measures taken in connection with violations of the investment limits or calculation errors occurring upon the determination of unit values;
- e. costs of auditing the UCITS fund by the UCITS fund's auditor;
- f. costs of publishing the tax bases and declaration that the tax-related information has been ascertained in accordance with German tax law;
- g. costs of establishing and enforcing legal claims of the UCITS fund by the Company for account of the UCITS fund as well as defence of claims made against the Company at the expense of the UCITS fund;
- h. fees and costs levied by official bodies in relation to the UCITS fund;
- i. costs for legal and tax advice in respect of the UCITS fund;
- j. costs as well as any payments that might accrue upon the purchase and/or use and/or specification of a comparison benchmark or financial index;
- k. costs of instructing proxies;
- l. costs of the analysis of the investment performance of the UCITS fund by third parties;
- m. taxes payable in connection with the fees payable to the Company, the custodian bank and third parties and the taxes accruing in connection with the costs described above including the taxes arising in connection with the management and custody;

#### 6. Transaction costs

Alongside the fees and expenses described above, the costs arising in connection with the acquisition and disposal of assets are charged to the UCITS fund.

#### 7. Performance Fee

##### a. Definition of the performance fee

In addition to the fees set out in clauses 1 to 6 above, the Company may receive per issued unit a performance fee of up to 20.00% of the amount by which the unit value at the end of a settlement period exceeds the maximum amount of the unit value at the end of the five preceding settlement periods ("high water mark"), but not more than 15.00% of the average net asset value of the fund in the settlement period that is calculated using the values of each trading day. If there exist less than five preceding settlement periods for the fund, all preceding settlement periods are taken into account in the calculation of the claim for remuneration. In the first settlement period after the establishment

of the Fund, the high water mark shall be replaced with the unit value at the beginning of the first settlement period. The Company is entitled to charge a lower performance fee for one or more unit classes or to waive the performance fee altogether. Further guidelines are contained in the sales prospectus.

##### b. Definition of the settlement period

The settlement period starts on 1 December and ends on 30 November of a calendar year. The first settlement period begins with the establishment of the UCITS fund and ends only on the second 30 November that follows the establishment.

##### c. Calculation of unit performance

The performance fee is determined on the basis of the unit performance calculated in accordance with the BVI method in the settlement period.

The performance calculation in accordance with the BVI method is based on the internationally accepted "time weighted rate of return (TWR)" standard method. The calculation method measures the percentage change of the invested assets at the beginning and end of a period under review whereby distributions are notionally invested in new units and thus treated like accumulations. The performance is calculated on the basis of the unit values determined on each trading day. The unit value results from the determined net asset value divided by the number of issued units. The assets and earnings are added to the result and the costs of the UCITS fund as well as any loans taken up and other liabilities are deducted.

##### d. Provision

In line with the result of a daily calculation, a provision will be made for a notionally accrued performance fee in the fund per unit issued or a provision already posted will be reversed correspondingly. Reversed provisions accrue to the Fund. A performance fee can only be deducted if corresponding provisions have been made.

#### 8. Acquisition of investment units

The Company shall publish the amount of the front-end fees and redemption fees in the annual report and semi-annual report that has been attributed to the UCITS fund in the reporting period for the acquisition and redemption of units pursuant to section 196 of the Capital Investment Code. If units are acquired that are directly or indirectly managed by the Company itself or an associated company in which the Company has a substantial direct or indirect interest, the Company or the other company may not charge front-end fees or redemption fees. The Company must publish in the annual report and semi-annual report the fees charged to the UCITS fund by the Company itself, another investment company, a closed-end fund or an associated company in which the Company has a substantial direct or indirect interest or a foreign investment company, including its management company as management fee for the units held in the UCITS fund.

## Appropriation of earnings and financial year

### 8. Distribution

1. For the distributing unit classes the Company distributes the interest, dividends and other income – taking into account the corresponding income equalisation – that have accrued over the financial year for account of the UCITS fund that are not used to cover costs. Capital gains – taking into account the corresponding income equalisation – may also be included in the distribution.
2. Distributable income as set out in paragraph 1 may be carried forward for distribution in subsequent financial years if the sum of the income carried forward does not exceed 15% of the respective value of the UCITS fund at the end of the financial year. Income from short financial years may be carried forward in full.
3. In the interest of preserving the capital of the fund, income may be partially retained – and in special cases fully retained – in the UCITS fund for reinvestment.
4. Distribution occurs annually within four months of the close of the financial year.
5. Interim distributions are permitted at any time. Scheduled interim distributions will be announced in the semi-annual or annual amount.

### 9. Accumulation

For accumulating classes the Company shall reinvest the interest, dividends and other income – taking into account the corresponding income equalisation – and the gains from accumulating unit classes in the UCITS fund that have accrued and are not used to cover costs for account of the UCITS fund.

### 10. Financial year

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

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