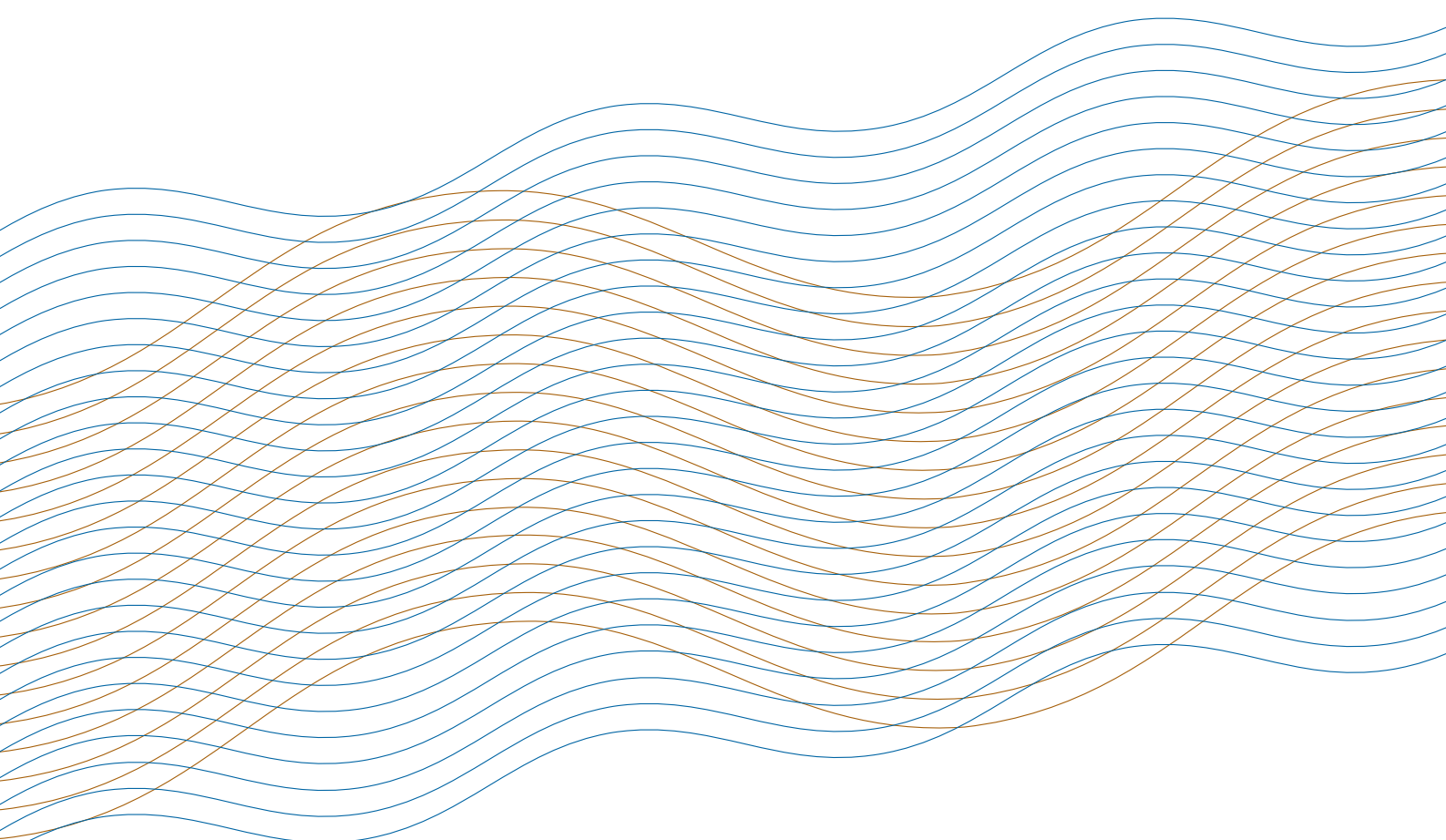


# ACATIS IFK VALUE RENTEN

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



CAPITAL MANAGEMENT COMPANY

**ACATIS**

CUSTODIAN

Hauck & Aufhäuser Privatbankiers AG,  
Frankfurt am Main

Units in the investment fund ACATIS IfK Value Renten may be purchased and sold on the basis of the currently applicable Sales Prospectus, the Key Investor Information Document (KIID) and the applicable General Terms and Conditions of Investment in conjunction with the Special Terms and Conditions of Investment. The General Terms and Conditions of Investment and the Special Terms and Conditions of Investment can be found in Parts F and G after this Sales Prospectus.

Upon request, the Sales Prospectus shall be provided free of charge to any party interested in acquiring a unit in the investment fund ACATIS IfK Value Renten, together with the most recently published annual report, as well as any semi-annual report published thereafter. In addition, the KIID shall be made available free of charge and in good time prior to contract signature.

Information or statements deviating from the Sales Prospectus may not be provided. Any purchase or sale of units based on information or statements not contained in this Sales Prospectus shall be undertaken at the exclusive risk of the purchaser. This Sales Prospectus is supplemented by the most recent annual report and any semi-annual report published thereafter.

## **INVESTMENT RESTRICTIONS FOR U.S. PERSONS**

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

## **IMPORTANT LEGAL IMPLICATIONS OF THE CONTRACTUAL RELATIONSHIP**

By acquiring units, investors become co-owners of the assets held by the investment fund, in proportion to the number of their units. They do not have the assets at their disposal. There are no voting rights associated with the units.

All publications and promotional material must be drafted in German or provided with a German translation. Furthermore, ACATIS Investment Kapitalverwaltungsgesellschaft mbH shall communicate with its investors entirely in German.

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

tionship. Investors who are consumers (see the following definition) and live in another EU country can also file a suit before a competent court at their domicile. The enforcement of court judgements is based on the Code of Civil Procedure, the Act on Forced Sale and Sequestration or the Insolvency Code. As ACATIS Investment Kapitalverwaltungsgesellschaft mbH is subject to domestic law, domestic judgements must not be recognised before they are enforced.

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

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

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

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

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

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

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

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

## Securities ID No./ISIN:

Unit class A: A0X758 / DE000A0X7582  
Unit class B (CHF): A1CS5A / DE000A1CS5A9  
Unit class C (USD): A1W9BC / DE000A1W9BC2  
Unit class X (TF): A2H5XH / DE000A2H5XH1  
Unit class Y (CHF TF): A2H5XJ / DE000A2H5XJ7

## Launch date:

Unit class A: 15/12/2008  
Unit class B: 29/12/2010  
Unit class C: 22/01/2014  
Unit class D: 16/11/2017  
Unit class X (TF): 07/06/2018

As at: **01/10/2018**

**Note:**

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

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## A. Brief summary of the partners of ACATIS IfK Value Renten

### 1. Capital management company

Name	ACATIS Investment Kapitalverwaltungsgesellschaft mbH
Street address	mainBuilding Taunusanlage 18 60325 Frankfurt am Main
Internet	www.acatis.de
Foundation	1994
Legal form	Limited liability company (GmbH)
Trade Register	Frankfurt/Main (HRB 38666)
Subscribed and paid-up capital	EUR 100,000,.00 (as at: August 2018)
Equity capital	EUR 17,065,737.00 (as at: August 2018)
Managing Directors	Dr. Claudia Giani-Leber Dr. Hendrik Leber Faik Yargucu
Supervisory Board	Werner-Michael Waldeck, Chairman Lawyer ret., Frankfurt am Main Dr. Annette Kersch Seld-employed business consultant, Frankfurt am Main Prof. Dr. Stefan Reinhart Lawyer, Frankfurt am Main

### 2. Custodian

Name	Hauck & Aufhäuser Privatbankiers AG
Street address	Kaiserstraße 24 60311 Frankfurt am Main
Postal address	Postfach 10 10 40 60010 Frankfurt am Main
Telephone	+49 (0) 69 21 61 - 0
Fax	+49 (0) 69 21 61 - 1340

Legal form	Aktiengesellschaft [Public Company]
Trade Register	Frankfurt am Main (HRB 108617)
Liable capital	EUR 171,375,000.00 (as at: 31 December 2016)
Executive Board	Michael Bentlage (Chairman) Wolfgang Strobel
Chairman of the Supervisory Board	Wolfgang Deml

### 3. Investment Advisor

Name	IfK - Institut für Kapitalmarkt Investment GmbH for the account of and under the liability umbrella of IfK - Institut für Kapitalmarkt -die Generationen Vermögensverwaltung- GmbH
Liable company	IfK - Institut für Kapitalmarkt -die Generationen Vermögensverwaltung- GmbH
Postal address	Jacobsleiter 8 24159 Kiel
Telephone	+49 (0) 431 6670404
Fax	+49 (0) 431 6670405
Website	<a href="http://www.ifk-invest.de">http://www.ifk-invest.de</a>
Trade Register	Kiel (HRB 7473)
Managing Director	Martin Wilhelm, CEFA
Investment Advisor	IfK - Institut für Kapitalmarkt Investment GmbH
Postal address	Jacobsleiter 8 24159 Kiel
Telephone	+49 (0) 431 2371761
Website	<a href="http://www.ifk-invest.de">http://www.ifk-invest.de</a>
Trade Register	Kiel (HRB 19999)
Managing Director	Martin Wilhelm, CEFA

#### 4. Asset Management company

Name	Universal-Investment-Luxembourg S.A. acting via the Frankfurt am Main Branch
Postal address	Universal-Investment-Luxembourg S.A. Niederlassung Frankfurt am Main Theodor-Heuss-Allee 70, 60486 Frankfurt am Main
Telephone	+49 (0) 69 7 10 43 - 0
Fax	+49 (0) 69 7 10 43 - 700
Website	<a href="http://www.universal-investment.com">www.universal-investment.com</a>

#### 5. Distributor

Name	IfK - Institut für Kapitalmarkt Investment GmbH
Postal address	Jacobsleiter 8 24159 Kiel
Telephone	+49 (0) 431 2371761
Website	<a href="http://www.ifk-invest.de">http://www.ifk-invest.de</a>
Trade Register	Kiel (HRB 19999)
Managing Director	Martin Wilhelm

#### 6. Auditor

KPMG AG Wirtschaftsprüfungsgesellschaft  
The Squaire  
Am Flughafen  
60549 Frankfurt am Main

#### 7. Investment Committee

Dr. Hendrik Leber  
ACATIS Investment Kapitalverwaltungsgesellschaft mbH,  
Frankfurt am Main

Faik Yargucu  
ACATIS Investment Kapitalverwaltungsgesellschaft mbH,  
Frankfurt am Main

Martin Wilhelm  
IfK Institut für Kapitalmarkt GmbH  
Kiel

Oliver Werner  
IfK Institut für Kapitalmarkt GmbH  
Kiel

Michael Wolf  
Universal-Investment-Gesellschaft mbH,  
Frankfurt am Main

Axel Janik  
Hauck & Aufhäuser Privatbankiers AG,  
Frankfurt am Main

## **B. General provisions**

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

The investment fund ACATIS IfK Value Renten (referred to hereinafter as the "Fund") is an undertaking for collective investment which collects capital from a number of investors in order to invest it pursuant to a stipulated investment strategy for the benefit of these investors (referred to hereinafter as the "investment fund"). The Fund is an investment fund within the meaning of Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (hereinafter referred to as "UCITS") within the meaning of the KAGB. It is managed by the capital management company ACATIS Investment Kapitalverwaltungsgesellschaft (hereinafter referred to as the "Company"). The Fund was launched on 15 December 2008 for an indefinite period.

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

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

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

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

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

The Terms and Conditions of Investment can be found after this Sales Prospectus in this document. The Terms and Conditions of Investment may be amended by the Company. Amendments to the Terms and Conditions of Investment must be approved by BaFin. Amendments to the Fund's investment principles must also be approved by the Company's Supervisory Board. Amendments to the Fund's current investment principles are permitted only on the condition that the Company offers

investors either the redemption of their units at no other cost before the changes enter into force, or the exchange of their units free of charge for units of other investment funds with comparable investment principles, provided that the Company or one of its group companies manages such funds.

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

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

## 4. Management Company

### Name, legal form and registered office

The Fund is managed by the capital management company ACATIS Investment Kapitalverwaltungsgesellschaft mbH, founded on 13 June 1994 and with its registered office in Frankfurt/Main, Germany. It is a joint venture of German banks and bankers.

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

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

### Executive Board/Management Board

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

## 5. Custodian

The KAGB provides for a separation between the management and custody of investment funds. The Custodian holds the assets in blocked security deposits and/or blocked accounts. In the case of assets

that cannot be held in custody, the Custodian assesses whether the Company has acquired ownership of these assets. It monitors whether the Company disposes of the assets in accordance with the provisions of the KAGB and the Terms and Conditions of Investment. The investment in bank deposits with another credit institution and disposals of these bank deposits are only permitted with the approval of the Custodian. The Custodian must grant its approval if the investment/disposal is in accordance with the Terms and Conditions of Investment and the provisions of the KAGB.

The Custodian also has the following specific duties:

- Issue and redeem Fund units,
- Ensure that the provisions of the KAGB and the Terms and Conditions of Investment of the Fund are observed when issuing and redeeming units and calculating the unit value,
- Ensure that it receives for safekeeping, within the customary time periods, the consideration for transactions undertaken for the collective account of investors,
- Ensure that the Fund's income is used in accordance with the provisions of KAGB and the Terms and Conditions of Investment,
- Monitor credit borrowing by the Company on behalf of the Fund and, where appropriate, approve credit borrowing.

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

The Company has appointed Hauck & Aufhäuser Privatbankiers AG, with its registered office in Frankfurt am Main, as the Custodian. It is a credit institution under German law. Hauck & Aufhäuser Privatbankiers AG is a universal bank which focuses on the securities business.

### **Sub-custodian**

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

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

The following conflicts of interest may arise from this transfer:

- The Custodian has not made the Company aware of any conflicts of interest that may arise as a result of this.

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

### **Liability of the Custodian**

As a rule, the Custodian is responsible for all assets placed either in its custody or, with its consent, in the custody of a third party. If such an asset is lost, the Custodian shall be liable vis-à-vis the Fund and its investors, unless this loss is attributable to events outside the Custodian's control. For damag-

es other than the loss of an asset, the Custodian shall (in principle) only be liable if it has failed to fulfil its obligations under the provisions of the KAGB through negligence, as a minimum.

### **Additional information**

On request, the Company will provide investors with the most up-to-date information on the Custodian and its duties, the sub-custodians and on any possible conflicts of interest in relation to the activities carried out by the Custodian or sub-custodians.

## **6. Investment Advisor**

In implementing its investment strategy, the Company uses the services of an investment advisor. The company has appointed IfK - Institut für Kapitalmarkt Investment GmbH (hereinafter the "Investment Advisor") for this task. The Company operates as Tied Agent for the investment advisory services in accordance with § 1 Sub-section 1a Sentence 2 No.1a of the KWG (Kreditwesengesetz / German Banking Act) and for the investment brokerage services in accordance with § 1 Sub-section 1a Sentence 2 No.1 of the KWG (Kreditwesengesetz / German Banking Act) on behalf of, in the name of and at the responsibility of IfK - Institut für Kapitalmarkt - die Generationen Vermögensverwaltung GmbH ("liable company").

The Investment Advisor has the legal form of a limited liability company under German law. The liable company has the legal form of a public liability company under German law and has been an authorised financial services company since 1 January 2013. It is subject to the supervision of the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht — BaFin). Details regarding the Investment Advisor can be found in the overview in Part A of this Sales Prospectus. Taking into consideration the general conditions applicable to the Fund and the legal stipulations, the Investment Advisor provides the Company with non-binding investment recommendations with a view to investing in assets and concluding the corresponding transactions. To this end, the Investment Advisor is required to monitor and analyse all markets and investments relevant to this purpose.

The Investment Advisor provides the investment advisory services on behalf of and at the responsibility of the liable company. Accordingly, the liable company is liable to the Company for the fulfilment of these obligations by the advisor company.. However, the Company's prudential obligations, as well as its civil liability to investors in the Fund, are not affected thereby. Appointing the Investment Advisor does not establish legal relationships between the Investment Advisor and investors in the Fund.

The Investment Advisor acts on behalf of the Fund on the basis of a contract entered between the Company and the liable company regarding the advisory services. The Investment Advisor may terminate the contract at any time by giving two weeks' notice to the end of the quarter. The Company also has ordinary and extraordinary termination rights. As a result of the termination of the Investment Advisor agreement, the Investment Advisor company is also no longer permitted to provide any further investment advisor services for the Company.

If the Investment Advisor is no longer available to provide advisory services to the Fund, the Company shall, unless another investment advisor can offer services that ensure a continuation of the investment strategy, terminate the management of the Fund subject to a statutory notice period of six



months. As a result, the Fund may be liquidated after this period and the proceeds paid out to investors (for this process, see Section 20 "Liquidation, transfer and merger of the Fund"). The Company shall not continue to pursue the investment policy described in Section 11 "Investment objective, investment principles and investment policy" until the end of the notice period. Instead, it shall invest the Fund's assets exclusively - provided this is permitted by the investment guidelines - in bank deposits and money market instruments.

## **7. Asset Management company**

The Company calls upon the services of an asset management company to implement its investment strategy and has outsourced the portfolio management to Universal-Investment-Luxembourg S.A., acting via the Frankfurt am Main Branch (the "Asset Management Company"). The Asset Management Company has the legal form of a 'société anonyme' under Luxembourg law and, since 17 March 2000, has been an authorised Luxembourg management company in accordance with Chapter 15 of the Luxembourg Law of 17 December 2010, which is subject to the supervision of the Commission de Surveillance du Secteur Financier ("CSSF"). The Asset Management Company acts via a non-independent branch, Universal-Investment-Luxembourg S.A., Frankfurt am Main branch, which is subject to the supervision of the CSSF as well as the limited supervision of BaFin. The business objective of the Asset Management Company is primarily to launch and manage investment funds and to manage the portfolios of other investment funds. The Asset Management Company is a 100% subsidiary of Universal-Investment-Gesellschaft mbH. Details regarding the Asset Management Company can be found in the overview in Part A of this Sales Prospectus.

The Asset Management Company shall (at its sole discretion) make all investment decisions for the Fund, without obtaining prior instructions or information from the Company. Its fund management obligations include, where necessary: purchasing and selling assets; acquiring and offsetting derivative positions as part of the currency hedging of assets held in a foreign currency; borrowing in order to finance margin requirements for currency futures contracts for the purposes of currency hedging and securing such credit/credit lines through Fund assets; managing liquid funds; and implementing capital measures. The Asset Management Company shall be liable vis-à-vis the Company for the fulfilment of these obligations. However, the Company's prudential obligations, as well as its civil liability vis-à-vis investors of the Fund, remain unaffected by this outsourcing process. This process does not establish legal relations between the Asset Management Company and the investors of the Fund. The Asset Management Company acts on behalf of the Fund on the basis of a contract entered into with the Company regarding the outsourcing of portfolio management activities. The Asset Management Company may terminate the contract at any time by giving one month's notice. The Company also has ordinary and extraordinary termination rights.

If the Asset Management Company is no longer available to manage the Fund's portfolio, the Company shall, unless another outsourcing company that can ensure a continuation of the investment strategy present itself, terminate management of the Fund subject to a statutory notice period of six months. As a result, the Fund may be settled after this period and the proceeds paid out to investors (for this process, see Section 21 "Liquidation, transfer and merger of the Fund"). The Company shall not continue to pursue the investment policy described in Section 12 "Investment objective, investment principles and investment policy" until the end of the notice period. Instead, it shall invest the Fund's assets exclusively – provided this is permitted by the investment guidelines – in bank deposits and money market instruments.

## 8. Risk information

Before deciding to purchase Fund units, investors should carefully read the following risk information as well as the other information in this Sales Prospectus, and take this into account when making an investment decision. The occurrence of one or more of these risks may, individually or together with other circumstances, have an adverse effect on the Fund or the assets held therein, and thereby also negatively affect the unit value.

If the investor sells Fund units at a time when the prices of assets in the Fund are lower than when they were acquired, he will not get back the capital he has invested in the Fund, either in whole or in part. The investor may lose the capital invested in the Fund, either in part or in full in individual cases. Capital growth cannot be guaranteed. The investor's risk is limited to the amount invested. Investors are not obliged to provide any funding in addition to the capital invested.

In addition to the risks and uncertainties described below or elsewhere in the Sales Prospectus, the Fund's performance may also be affected by various other risks and uncertainties that are currently unknown. The order in which the risks are listed below reflects neither the likelihood nor the magnitude or significance of the occurrence of each individual risk.

### Fund investment risks

The risks typically associated with investing in a UCITS are described below. These risks may have an adverse effect on the unit value, the capital invested by the investor or the investor's envisaged holding period of investment in the Fund.

#### Fluctuation in the Fund's unit value

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

#### Impact of tax-related issues on individual performance

The tax treatment of investment income depends on the respective investor's individual circumstances and may be subject to change in the future. For specific questions, particularly regarding individual tax situations, investors should contact their personal tax advisers.

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

The Company may amend the Terms and Conditions of Investment subject to BaFin approval. Any such amendment may also affect the rights of investors. The Company may, for example through an

amendment to the Terms and Conditions of Investment, amend the Fund's investment policy or increase the costs charged to the Fund. The Company may also change the investment policy within the statutory and contractually permissible range of investments without changing the Terms and Conditions of Investment and their approval by BaFin. This may result in the risk associated with the Fund changing.

### **Suspension of unit redemption**

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

### **Liquidation of the Fund**

The Company is entitled to cease managing the Fund. The Company may liquidate the Fund in its entirety once management has been discontinued. After a six-month notice period, the right of disposal over the Fund will pass to the Custodian. This means that the investors incur the risk of being unable to complete their planned holding period. Upon transfer of the Fund to the Custodian, the Fund may become subject to taxes other than German income tax. If the Fund units are removed from the investor's securities account after the liquidation procedure has come to an end, the investor may become subject to income tax.

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

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

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

The Company may transfer the management of the Fund to another capital management company. This shall not affect the Fund or the position of the investors. However investors must decide whether they consider the new capital management company to be as suitable as the previous capital management company. If they do not wish to remain invested in the Fund under new management, they must redeem their units. This may give rise to income taxes.

## **Profitability and fulfilment of the investor's investment objectives**

It cannot be guaranteed that investors will achieve their desired investment objectives. The Fund's unit value may fall and lead to losses for the investor. No guarantees are given by the Company or third parties as to any particular minimum payment commitment upon redemption or any particular investment performance of the Fund. Investors may get back an amount lower than the one originally invested. In addition, any issuing surcharge paid upon the acquisition of units may reduce or even wholly offset the performance of an investment, particularly in the case of short investment periods.

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

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

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

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

### **Capital market risk**

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

### **Risk of changes in the share price**

Experience shows that shares are subject to strong price fluctuations and thus also to the risk of price drops. These price fluctuations are particularly affected by the development of profits of issuing companies and developments within the industry, as well as overall macroeconomic developments. Market confidence in the company concerned may also affect price performance. This particularly applies to companies whose shares have only recently been admitted to a stock exchange or another organised market, where even minor changes in forecasts can trigger dramatic price movements. If for a particular share, the percentage of freely tradable shares held by a large number of shareholders (free

float) is low, then even minor buy or sell orders for this share may have a substantial impact on the market price and lead to larger price fluctuations.

### **Interest rate risk**

When investing in fixed-income transferable securities, there is the possibility that the market interest rate at the time a transferable security is issued might change. If the market interest rate increases compared to the interest at the time of issue, fixed-income transferable securities will generally decrease in value. In contrast, if the market interest rate falls, the price of fixed-income transferable securities will increase. These changes mean that the current yield of fixed-income transferable securities roughly corresponds to the current market interest rate. However, such fluctuations may vary significantly, depending on the (residual) maturity of fixed-income transferable securities. On the one hand, fixed-income transferable securities with shorter maturities bear lower price risks than those with longer maturities. On the other hand, fixed-income transferable securities with shorter maturities generally have smaller yields than those with longer maturities. Money market instruments tend to bear lower price risks due to their short maturity of no more than 397 days. In addition, the interest rates of different, interest-related financial instruments denominated in the same currency and with a similar residual maturity, may perform differently.

### **Risk of negative interest on deposits**

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

### **Risk of changes in the price of convertible bonds and bonds with warrants**

Convertible bonds and bonds with warrants securitise the right to exchange bonds for shares or acquire shares. The performance of the value of convertible bonds or bonds with warrants therefore depends on the price development of the underlying shares. The risks associated with the performance of the underlying shares may therefore also affect the performance of the convertible bond or bond with warrants. Bonds with warrants that give the issuer the right to provide the investor with a number of shares determined in advance (reverse convertibles), instead of repaying a nominal amount, are dependent to an even greater extent on the relevant share price.

### **Risks associated with derivative transactions**

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

- Losses may occur from using derivatives that cannot be predicted and may even exceed the amounts invested for the derivative transaction.
- Changes in the value of the underlying instrument can diminish the value of an option right or futures contract. If the value decreases and the derivative becomes worthless as a result, the Company may be forced to let the purchased rights expire. The Fund can also suffer losses due to changes in the value of the assets underlying a swap.

- The leverage effect of options may have a greater impact on the value of the Fund's assets than would be the case if the underlying instruments were acquired directly. It may not be possible to determine the risk of loss when concluding the transaction.
- There may be no liquid secondary market for a particular instrument at a given time. A position in derivatives may then, under certain circumstances, be impossible to be neutralised (closed) profitably.
- The purchase of options carries the risk that the option may not be exercised because the prices of the underlying instruments do not progress as expected; as a result, the option premium paid by the Fund is forfeited. The sale of options carries the risk that the Fund will be required to purchase assets at a higher market price than the current one or to deliver them at a lower market price than the current one. In that case, the Fund would suffer a loss amounting to the price difference less the option premium received.
- Futures contracts are associated with the risk that the Company will be required, on behalf of the Fund, to bear the difference between the price upon conclusion and the market price upon maturity or closing out of the transaction. The Fund would therefore incur losses. The risk of loss cannot be determined when concluding the futures contract.
- A necessary conclusion of an offsetting transaction (close-out) is associated with costs.
- Forecasts made by the Company on the future performance of underlying instruments, interest rates, prices and foreign exchange markets may subsequently prove to be incorrect.
- Assets underlying the derivatives may not be purchased or sold at a favourable time or have to be purchased or sold at an unfavourable time.

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

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

### **Risks associated with receiving collateral**

The Company receives collateral for derivative transactions. Derivatives may increase in value. The collateral provided would no longer be sufficient to cover the full delivery and return claims of the Company vis-à-vis the counterparty.

The Company may invest cash collateral in blocked accounts, high-quality government bonds, or money market funds with a short maturity structure. However, the credit institution where the bank deposits are held may default. Government bonds or money market funds may decrease in value. At the end of the transaction, the full amount of the invested collateral may no longer be available, even though the original amount must be returned by the Company on behalf of the Fund. The Fund would then have to bear the losses incurred from the collateral.

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

The Fund may only purchase transferable securities that securitise loans (loan securitisation positions) and were issued after 1 January 2011 if the debtor retains at least 5% of the volume of the securitisation as a deductible and complies with other requirements. The Company is therefore obliged to take remedial measures in the interest of the investors if there are securitisations in the Fund's assets that do not comply with these EU standards. Under these remedial measures, the Company may be forced to sell such securitisation positions. As a result of the legal regulations for banks, fund companies and insurance companies, there is the risk that the Company will not be able to sell the securitisation positions, or will only be able to do so at significant price discounts or after an extensive delay. This may result in losses for the Fund.

### **Inflation risk**

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

### **Currency risk**

The Fund's assets may be invested in currencies other than that of the Fund. The Fund shall receive the income, repayments and proceeds from such investments in the relevant currency. If the value of this currency falls in relation to the Fund currency, the value of such investments, and thereby that of the Fund, shall also fall.

### **Concentration risk**

If the investment is concentrated in certain assets or markets, this means that the Fund is heavily dependent on the performance of these assets or markets.

### **Risks associated with investing in investment units**

The risks for investment funds whose units are acquired for the Fund ("target funds") are closely linked to the risks associated with the assets held in these target funds and/or the investment strategies pursued by said target funds. Since the managers of the individual target funds act independently of each other, it is possible for several target funds to act according to the same or opposing investment strategies. This may result in existing risks being built up and possible opportunities cancelling each other out. The Company is not normally in a position to control the management of target funds. Their investment decisions do not necessarily have to conform to the assumptions or expectations of the Company. Often, the Company may not be completely up-to-date as to the current composition of the target funds. Should this composition not meet the Company's assumptions or expectations, it may, where applicable, only be able to react with considerable delay by returning target fund units.

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



## **Risks resulting from the investment spectrum**

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

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

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

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

Assets that are neither admitted to a stock exchange nor admitted to an organised market nor included in this market may also be acquired for the Fund. These assets may only be sold on at significant price discounts, with a time delay or not at all. Even assets admitted to a stock exchange may, depending on the market situation, volume, time frame and planned costs, be sold only at high price discounts or not sold at all. Although it is only possible to acquire assets for the Fund that can, in principle, be liquidated at any time, it cannot be ruled out that they can only be sold temporarily or permanently whilst realising losses.

### **Risk from borrowing**

The Company may take out loans on behalf of the Fund. Variable-interest loans may have a negative impact on the Fund's assets in the event of rising interest rates. If the Company has to pay back a loan and may not offset it with follow-up financing or the liquidity of the Fund, it may be forced to sell assets prematurely or at worse conditions than planned.

### **Risks associated with increased volumes of redemptions or subscriptions**

Investor buying and selling orders add liquidity to or remove it from the Fund's assets. These inflows and outflows may result in a net inflow or outflow from the Fund's liquid assets after netting, which may cause the fund manager to buy or sell assets, resulting in transaction costs. This applies in particular if the inflows and outflows exceed or do not reach the limit set for the Fund by the Company. The resulting transaction costs are charged to the Fund's assets and may adversely affect the Fund's



performance. For inflows, increased Fund liquidity may adversely affect the Fund's performance if the Company cannot invest the funds under appropriate conditions.

## **Counterparty risk including loan and receivables risk**

The risks which may result for the Fund from a business relationship with another party (so-called counterparty) are shown below. There is the risk that the counterparty may no longer be able to meet its agreed obligations. This may have an adverse impact on the Fund's performance, and thereby on the unit value and the capital invested by the investor.

### **Risk of counterparty default/counterparty risks (not including central counterparties)**

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

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

A central counterparty (CCP) acts as an intermediary on behalf of the Fund in certain transactions, particularly for derivative financial instruments. In this case, he acts as the buyer vis-à-vis the seller and vice versa. A CCP hedges itself against the risk that its business partners are unable to provide the agreed services with a range of protective mechanisms which enable it to offset losses from transactions it enters into at all times (e.g. with collateral). Despite such protective mechanisms, it is still possible for a CCP to become insolvent and to default, which could also affect claims of the Company on behalf of the Fund. Losses may occur for the Fund as a result.

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

The risks that may occur in the Company or with external third parties as a result of human or system error are shown below. These risks set out below may have an adverse impact on the Fund's performance, and thereby on the unit value and the capital invested by the investor.

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

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

### **Country or transfer risk**

There is the risk that, despite being able to pay, a foreign debtor cannot provide payment in good time or at all or only in a different currency as a result of the inability or unwillingness of its country of domicile to transfer the currency or for other reasons. Thus, for example, payments to which the

Company is entitled to on behalf of the Fund may fail to be made or may be made in a currency that is no longer convertible or must take place in another currency due to foreign exchange restrictions. If the debtor pays in another currency, this position is subject to the aforementioned currency risk.

### **Legal and political risks**

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

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

The summary information on tax regulations in this Sales Prospectus is based on the current legal situation. It is intended for persons in Germany who are subject to unrestricted income or corporation tax. There is no guarantee, however, that the tax assessment will not change as a result of legislation, court rulings or decrees issued by the financial authorities.

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

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

### **Key person risk**

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

### **Custody risk**

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

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

The settlement of transferable security transactions bears the risk that a contractual party delays payment or does not pay as agreed or that the securities are not delivered in good time. This settlement risk also occurs when trading with other assets for the Fund.

## **9. Explanation of the Fund's risk profile**

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

- **Developments on the international stock markets.**
- **Developments on the international futures markets.**
- **Developments on the international foreign exchange markets.**
- **Company-specific developments.**
- **Changes in the exchange of non-euro currencies in relation to the euro.**
- **Yield changes or price developments on the bond markets.**
- **Development of yield differences between government securities and corporate bonds (spread development).**
- **The Fund may concentrate its investments for a time to a greater or lesser degree on particular sectors, countries or market segments. This may also result in opportunities and risks.**

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

## **10. Increased volatility**

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

## **11. Profile of the typical investor**

The Fund is designed for investors who already have some experience of the financial markets. Investors must be willing and able to accept fluctuations in the value of the units and the possibility of a considerable loss of capital. The Fund is suitable for investors with a medium- or long-term investment horizon. The Company's opinion should not be construed as investment advice and is given to provide investors with an initial reference point to determine whether the Fund is in line with their investing experience, risk tolerance and investment horizon.

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

### Investment objective

The Fund's investment objective is to achieve a reasonable and steady performance.

### Investment principles and investment policy

The Company may acquire the following assets for the Fund:

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

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

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

At least two thirds of the Fund is made up of bonds.

The Fund shall be primarily invested in bonds of issuers selected on the basis of conventional bond analysis. This means taking into account the analysis, valuation and comparability of various asset classes in the capital market sector and in the fixed income and credit sectors. Generally, investments shall be made in bonds of issuers that are undervalued according to at least one criterion, in particular:

- Undervaluation in relation to maturity, currency and issuer band;
- Yield advantage in relation to comparable issuers of a sector;
- Arbitrage by comparing and using default probabilities as well as recovery rates;
- Incorrect valuation of credit spreads in comparison with spot markets/credit derivatives;
- Partial sector and/or region value;
- Overestimated crisis and overreaction phases.

The aforementioned criteria should form the main decision-making basis for investments in bonds within the scope of asset allocation. A bond's past performance in absolute terms should not influence investment decisions. Bonds are preselected using filters and by screening issuers in the uni-

verse. The decision shall then be made according to more in-depth individual analysis of the security. The number of bonds in the portfolio shall remain more or less constant.

In addition, up to 1/3 of the Fund may be invested in equities and equity-like products.

For unit classes A and X (TF), JPM GBI Global<sup>®1</sup> TR (EUR) is used as a benchmark. For unit classes B (CHF) and Y (CHF TF), JPM GBI Global<sup>®2</sup> TR (CHF) is used as a benchmark. For unit class C (USD), JPM GBI Global<sup>®3</sup> TR (USD) is used as a benchmark. The benchmarks are determined by the Company and are subject to change. The Company does not aim to replicate the benchmark, but rather to achieve absolute performance independently of the benchmark index.

The aforementioned indexes are administered by JPMorgan Chase & Co. JPMorgan Chase & Co. is not registered with the European Securities and Markets Authority (ESMA) in the official register of benchmark administrators as per Regulation (EU) 2016/1011. At the time of this Sales Prospectus going to print, this register did not yet exist.

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

Due to the planned investment strategy, the turnover rate in the Fund may vary heavily (and thus, over time, result in variable transaction costs being charged to the Fund).

The currency of unit classes A and X (TF) is the euro, currency of unit classes B (CHF) and Y (CHF TF) is the Swiss franc and the currency of unit class C (USD) is the US dollar.

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

### 13. Investment instruments in detail

The Company may purchase the assets specified in the "Investment principles and investment policy" section within the investment limits shown in the "Investment limits for securities and money market instruments using derivatives and bank deposits" as well as "Investment units" below. Details on these assets and the investment limits applicable for them are shown below.

#### Transferable securities

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

<sup>1</sup> JPM GBI Global<sup>®</sup> TR (EUR) is a registered trademark of JPMorgan Chase & Co.

<sup>2</sup> JPM GBI Global<sup>®</sup> TR (CHF) is a registered trademark of JPMorgan Chase & Co.

<sup>3</sup> JPM GBI Global<sup>®</sup> TR (USD) is a registered trademark of JPMorgan Chase & Co.

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

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

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

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

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

Transferable securities may only be acquired under the following conditions:

- The potential loss that the Fund may incur must not exceed the transferable security's purchase price. There must not be any obligation to provide additional funding.
- The lack of liquidity of the transferable security acquired by the Fund must not lead to the Fund becoming unable to fulfil the statutory requirements concerning the redemption of units. This applies whilst taking into account the statutory option to suspend the redemption of units in specific cases (see the sections entitled "Issue and redemption of units" and "Suspension of unit redemption").
- A reliable valuation of the transferable security using exact, reliable and regular prices must be available; these must either be market prices or have been made available by a valuation system independent from the transferable security's issuer.
- Adequate information concerning the transferable security must be available, either in the form of regular, accurate and comprehensive information on the transferable security's market or in the form of any associated securitised portfolio.
- The transferable security is tradable.
- The acquisition of the transferable security must be in accordance with the Fund's investment objectives and investment strategy.

- The risks of the transferable security are adequately addressed by the Fund's risk management.

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

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

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

## Money market instruments

Up to one-third of the Fund's assets may be invested in money market instruments subject to the provisions in § 6 of the General Terms and Conditions of Investment.

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

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

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

1. admitted to trading on a stock exchange or admitted to or included in another organised market in an EU Member State or another State party to the EEA Agreement;
2. exclusively admitted to trading on a stock exchange in a third country or another State party to the EEA Agreement, or are admitted or included in another organised market in one of these states, provided that the choice of stock exchange or organised market has been approved by BaFin.
3. issued or guaranteed by the EU, the Federal Republic of Germany, a German federal government fund, a German federal state, another EU Member State or another national, regional or local authority or the central bank of an EU Member State, the European Central Bank or the European Investment Bank, a third country or, if the country is a Federal State, by one of the members making up the Federal State, or a public international body to which one or more EU Member States belong;
4. issued by an undertaking whose transferable securities are traded on the markets stated in points 1 and 2 above;
5. issued or guaranteed by a credit institution subject to prudential supervision, in accordance with criteria defined by EU law, or a credit institution that is subject to and complies with prudential rules considered by BaFin to be equal to those of EU law;
6. issued by other issuers, and the issuer in question is

- (a) a company with capital amounts to at least EUR 10 million and which presents and publishes its annual accounts in accordance with the European Directive on annual accounts of companies with limited liability; or
- (b) an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group; or
- (c) an entity that issues money market instruments subject to obligations, through the use of a banking liquidity line. These are products where credit claims of banks are securitised (asset-backed securities).

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

For money market instruments not listed on a stock exchange or authorised for trade on a regulated market (see points 3–6 above), the issue or issuer of these instruments must also be subject to deposit and investor protection. Appropriate information must therefore be available for these money market instruments that enables an appropriate assessment of the credit risks associated with the instruments; the money market instruments must also be freely transferable. The credit risks may be assessed, for example, by means of an analysis of a credit assessment conducted by a rating agency.

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

- If they are issued or guaranteed by the following bodies (stated above in point 3):
  - the EU,
  - the German Federal Government,
  - an investment fund of the German Federal Government,
  - a German federal state,
  - another EU Member State,
  - another central authority,
  - the European Investment Bank,
  - a third country or, in the case of a Federal State, by one of the members making up the federation,



- a public international body to which one or more Member States belong,

adequate information must be available with regard to the issue or issuance programme or the issuer's legal and financial situation before the money market instrument is issued.

- If they are issued or guaranteed by a credit institution subject to supervision in the EEA (see point 5 above), appropriate information must be available with regard to the issue or issuance programme or the issuer's legal and financial situation before the money market instrument is issued; such information must be updated on a regular basis and whenever a significant event occurs. In addition, data (e.g. statistics) related to the issue or issuance programme must be available so that the credit risks associated with the investment to be appropriately assessed.
- If they are issued by a credit institution that is subject to prudential rules outside the EEA, which are considered by BaFin to be equivalent to those for a credit institution within the EEA, one of the following requirements must be met:
  - The credit institution maintains a registered office in a member state of the Organisation for Economic Co-operation and Development (hereinafter referred to as the "OECD") that is also part of the Group of Ten (G10, group of leading industrialised countries).
  - The credit institution has a rating that qualifies as "investment grade", as a minimum. "Investment grade" refers to a rating of "BBB" or "BAA" or higher, as part of the creditworthiness check by a rating agency.
  - A comprehensive analysis of the issuer may be used to demonstrate that the prudential rules applicable to the credit institution are at least as stringent as those under EU law.
- For other money market instruments not listed on a stock exchange or admitted to trading on a regulated market (see points 4 and 6 above as well as the others listed under point 3), appropriate information with regard to the issue or issuance programme, as well as the issuer's legal and financial situation, must be made available before the money market instrument is issued; a qualified third party that is independent of the issuer must update such information on a regular basis and whenever a significant event occurs. In addition, data (e.g. statistics) related to the issue or issuance programme must be available so that the credit risks associated with the investment to be appropriately assessed.

## Bank deposits

Up to one-third of the Fund's assets may be invested in bank deposits.

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

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

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

### **General investment limits**

The Company may invest up to 10% of the Fund's assets in transferable securities and money market instruments of a single issuer (debtor). In this event, the total value of the transferable securities and money market instruments of these issuers (debtors) may not exceed 40% of the Fund. In addition, the Company may invest 5% of the Fund's assets in transferable securities and money market instruments of a single issuer.

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

### **Investment limit for bonds with special cover funds**

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

### **Investment limits for public issuers**

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

### **Combination of investment limits**

The Company may invest a maximum of 20% of the Fund's assets in a combination of the following:

- securities or money market instruments issued by a single body,
- deposits made with that body, i.e. bank deposits,
- attributable amounts for the counterparty risk of transactions entered into with that body in derivatives.

The individual maximum limits in question shall remain the same.

### **Investment limits using derivatives**

The amounts of transferable securities and money market instruments of an issuer that are taken into account for the limits stated above can be reduced by using counter-market derivatives whose underlying instruments are transferable securities or money market instruments of this same issuer. As a

result, transferable securities or money market instruments of a single issuer may be acquired on behalf of the Fund in excess of the aforementioned limits, if the resulting increased issuer risk is once again reduced by hedging transactions.

## Other investment instruments and their investment limits

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

- Transferable securities that are not admitted to trading on a stock exchange or admitted to or included in another organised market, but meet the criteria for transferable securities. By way of derogation from traded or admitted transferable securities, the reliable valuation for these transferable securities must be available in the form of a valuation that is conducted at regular intervals and derived from information from the issuer or a competent financial analysis. Appropriate information related to transferable securities that are not admitted to or included in another organised market must be available in the form of regular and precise information from the Fund, or the associated portfolio must be available, if applicable.
- Money market instruments of issuers that do not meet the aforementioned requirements, if they are liquid and their value can be precisely determined at any time. Money market instruments are considered liquid if they can be sold within a sufficiently short time at a limited cost. It is important to note that the Company is obliged to redeem units in the Fund at the request of investors and dispose of such money market instruments at short notice accordingly. There must also be a precise and reliable valuation system that can determine the net assets value of money market instruments or is based on market data or valuation models, such as systems that extrapolate acquisition costs. The liquidity criterion is considered to have been met for money market instruments if these are admitted to or included in an organised market within or outside the EEA, provided that BaFin has approved the choice of this market.
- New issued of shares if their terms of issue specify:
  - their admission to trading on a stock exchange in an EU Member State or another State party to the EEA Agreement, or their admission to or inclusion in an organised market of an EU Member State or another State party to the EEA Agreement, must be applied for in accordance with their terms of issue, or
  - their admission to trading on a stock exchange or their admission or inclusion on an organised market that is not in an EU Member State or in a State party to the EEA Agreement must be applied for in accordance with their terms of issue, provided this choice of stock exchange or organised market has been approved by BaFin;

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

- Borrower's note loans that can be assigned at least twice after being acquired for the Fund and have been granted by one of the following bodies:
  - a) the German Federal Government, an investment fund of the German Federal Government, a German federal state, the EU or an OECD Member State;
  - b) another domestic authority or a regional government or local authority of another EU Member State or another State party to the EEA Agreement, if the claim can be treated according to the regulations on prudential requirements for credit institutions and securities companies

in the same way as one against the central government in whose sovereign area the regional government or authority is located,

- c) other corporations or institutions under public law with their registered offices in Germany, another EU Member State or another state party to the EEA Agreement,
- d) companies that issue transferable securities that are admitted to trading on an organised market within the EEA or on another regulated market meets the essential requirements of regulated markets within the meaning of the current version of the directive on markets in financial instruments, or
- e) other debtors, provided one of the bodies referred to in (a)–(c) above has guaranteed the payment of interest and repayment of principal.

## Investment units

The Company may invest up to 10% of the Fund's assets in units of target funds provided that they are open-ended domestic and foreign investment funds.

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

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

- The target fund must have been approved in accordance with legal provisions that place it under effective public supervision in order to protect investors, and there must be adequate provision for ensuring cooperation between the supervisory authorities.
- The investors' protection level must be equivalent to that of an investor in a domestic UCITS, particularly with regard to the segregation of management and custody of assets, borrowing, lending and the short selling of transferable securities and money market instruments.
- The business operations of the target fund must be the subject of annual and semi-annual reports that permit an assessment to be made of the assets and liabilities, income and transactions arising during the reporting period.
- The target fund must be a public fund for which there is no limit as to the number of units and the investors have a right to redeem said units.

The Company may not acquire on behalf of the Fund more than 25% of the units issued by a target fund.

Target funds may temporarily suspend the redemption of units within the statutory framework. In this case, the Company may not return the units in the target fund to the management company or custodian or a target fund against payment of the redemption price (refer also to the section entitled

"Risk information - Risks associated with investing in investment units"). The Company's website (<http://www.acatis.de>) provides information as to whether and to what extent the Fund holds units of target funds that have currently suspended the redemption of units.

## Derivatives

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

Derivatives are instruments whose prices depend on the price fluctuations/expectations of other assets (underlying instrument). The information below applies both to derivatives and to financial instruments with derivative components (hereinafter collectively referred to as 'derivatives').

Using derivatives must not more than double the Fund's market risk (market-risk limit). 'Market risk' is the risk of loss arising from fluctuations in the market value of assets held in the Fund; these are due to changes in variable market prices and/or rates such as interest rates, exchange rates, equity and commodity prices or changes in an issuer's credit rating. The Company must adhere to its market-risk limit at all times. The Company must determine the extent to which the market-risk limit has been reached on a daily basis, in accordance with legal requirements deriving from the Regulation on risk management and assessment when using derivatives, securities lending and repurchase agreements in investment funds under the Capital Investment Code (hereinafter referred to as 'the Derivatives Regulation').

In order to determine the extent to which the market-risk limit has been reached, the Company uses the qualified approach as defined in the Derivatives Regulation. To do so, the Company may compare the Fund's market risk with that of theoretical benchmark assets (which do not include derivatives) and limit the risk in proportion thereto. Derivative-free benchmark assets are a theoretical portfolio, the value of which is always equal to the current value of the Fund, but does not involve increasing or decreasing the market risk by using derivatives. The composition of the benchmark assets must also be in accordance with the Fund's investment objectives and investment policy. The derivative-free benchmark assets for the Fund are mainly equity (global - large caps) and bonds (global - government).

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

An absolute limit may also be imposed on the market risk. In doing so, the potential risk amount for the market risk to be assigned to an investment fund may never exceed 20% of the value of the investment fund. The decisive factors in this respect are a confidence level of 99% and a holding period of 20 working days. The holding period may be converted to one day using the square-root-of-time rule. In this case, it is not necessary to determine derivative-free benchmark assets.

The market risk of the Fund and, if applicable, the derivative-free benchmark assets, are determined by using a suitable own risk model (value at risk (VaR) method). The modelling process that the Com-

pany uses for this purpose is historical simulation. The Company takes the market price risks from all transactions. The risk model determines to what extent the value of the assets held in the Fund changes over time. The VaR method indicates a limit (expressed in monetary units) on potential losses between two pre-determined times. Such changes in value are the result of fortuitous events, i.e. future market price development; as a result, they cannot be predicted with certainty. The market risk to be determined can in each case only be estimated with a sufficient level of probability.

The Company may invest in any derivatives on behalf of the Fund, provided it has a suitable risk management system. These derivatives must be based either on assets the Fund is allowed to acquire or on the following underlying instruments:

- Interest rates
- Exchange rates
- Currencies
- Financial indices that are sufficiently diversified to provide an adequate reference basis for the market to which they relate and published appropriately.

This includes, in particular, options, financial futures contracts and swaps, as well as combinations thereof.

## **Futures contracts**

Futures contracts are unconditionally binding on both contracting parties; they require them to buy or sell a specific quantity of a certain underlying at a predetermined price and at a specific date (due date) or within a determined time frame. Within the scope of the investment principles, the Company may enter into futures contracts on behalf of the Fund on all assets the Fund may acquire and that may serve as underlying instruments for derivatives in accordance with the Terms and Conditions of Investment.

## **Option contracts**

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

## **Swaps**

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

- interest rate swaps
- currency swaps
- interest and currency swaps
- variance swaps

- equity swaps
- credit default swaps.

## Swaptions

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

## Credit default swaps

Credit default swaps are credit derivatives which enable a potential credit default volume to be passed on to third parties. The seller of the risk pays a premium to its counterparty in return for taking on the credit default risk. In other respects, the information regarding swaps applies *mutatis mutandis*.

## Total return swaps

The Company is authorised to invest in total return swaps for the Fund. Total return swaps are derivatives in which all returns and fluctuations in value of an underlying asset are exchanged for an agreed fixed interest payment. One counterparty, the collateral buyer, transfers all the credit and market risk from the underlying asset to the other counterparty, the collateral provider. In exchange, the collateral buyer pays a premium to the collateral provider.

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

## Securitised financial instruments

The Company may also acquire the financial instruments described above if they are securitised. In so doing, the transactions involving these financial instruments may be only partially contained in transferable securities (e.g. warrant-linked bonds). The statements regarding opportunities and risks apply *mutatis mutandis* to such securitised financial instruments, but on condition that the risk of loss for securitised financial instruments is limited to the value of the transferable security.

## OTC derivative transactions

The Company may, on behalf of the Fund, enter into derivative transactions that are admitted to trading on a stock exchange or admitted to or included in another organised market, as well as OTC transactions. The Company may enter into derivative transactions neither admitted to trading on a stock exchange nor included in another organised market except only with suitable credit or financial services institutions on the basis of standardised framework agreements. For OTC derivatives, the

counterparty risk for a contracting party is limited to 5% of the Fund's assets. If the contracting party is a credit institution with its registered office in an EU Member State, another Contracting Party to the Agreement on the EEA or a third country with an equivalent level of supervision, the counterparty risk may be up to 10% of the Fund's assets. OTC derivatives concluded with a central clearing house of a stock exchange or another organised market as the contracting partner are not included when determining counterparty risk limits if the derivatives are subject to a daily valuation at market prices with a daily margin settlement. However, any claims the Fund may have against an intermediary must be included when determining the limits, even if the derivatives involved are traded on a stock exchange or another organised market.

## **Currency-hedged unit classes**

On behalf of the Fund, the Company may enter into derivative transactions for currency hedges that exclusively affect units in unit classes B (CHF), C (USD) and Y (CHF TF). As the Fund may also acquire assets not denominated in the currency or currencies in which the unit classes stated are denominated, such hedging transactions may prevent or reduce losses in unit value in the case of currency fluctuations in these unit classes. For unit classes A and X (TF), these hedging transactions have no impact on unit value performance.

## **Collateral strategy**

Within the scope of derivative transactions, the Company shall accept collateral on behalf of the Fund. The collateral serves to eliminate or partially reduce the risk of default of the contracting party to these transactions.

### **Permitted types of collateral**

For derivative transactions, the Company accepts the following assets as collateral:

- Bank deposits
- Transferable securities
- Money market instruments.

### **Scope of collateral provided**

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



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

In order to use certain valuation discounts, the Company pursues a haircut strategy on assets accepted as collateral. This covers all assets that are permitted as collateral.

### **Investment of cash collateral**

Cash collateral in the form of bank deposits may be held in blocked accounts with the Custodian of the Fund or, subject to the Custodian's consent, other credit institutions. They may only be reinvested in high-quality government bonds or in money market funds with short maturity structures.

### **Holding securities in custody as collateral**

The Company may receive securities as collateral on behalf of the Fund as part of derivative transactions. If these securities have been transferred as collateral, they must be held in custody with the Custodian. It is not permitted to reuse the securities.

## **Borrowing**

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

## **Leverage**

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

The use of derivatives must not more than double the market risk (see the "Derivatives" sub-section in Section 12 "Investment instruments in detail"). The Company expects that the Fund's leverage arising from the use of derivatives will, as a rule, be less than 2.

Leverage is calculated by dividing the Fund's total exposure by the net asset value. Total exposure is calculated by adding together the net asset value of the Fund and the nominal values of all derivative transactions included therein. However, depending on market conditions, the leverage may fluctuate; as a result, the targeted level may be exceeded, despite ongoing monitoring by the Company. The Company may use derivatives for a number of purposes, such as hedging or optimising returns. Nonetheless, overall exposure is always calculated the same way, regardless of the purpose for which they are used. For this reason, the total nominal values do not indicate the potential risks involved for the Fund.

## **Exception: Investments made in the absence of the investment advisor**

If the Investment Advisor is no longer available to give investment advice to the Fund (see rights of termination and their impacts under Section 6 "Investment Advisor"), the Company may terminate management of the Fund subject to a legal notice period of six months. By the end of the notice period the Company will cease pursuit of the investment policy described in Section 11 "Investment objective, investment principles and investment policy" and will instead invest the Fund's assets exclusively - provided this is permitted by the investment guidelines - in bank deposits and money market instruments.

## **14. Valuation**

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

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

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

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

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

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

#### **Unlisted bonds and borrower's note loans**

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

#### **Options and futures contracts**

Options belonging to the Fund and the liabilities from those granted to a third party that are admitted to trading on a stock exchange or admitted to or included in another organised market are valued at their last available tradable price which ensures a reliable valuation.

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

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

Bank deposits are, in principle, valued at their net value plus accrued interest.

Fixed-term deposits are valued at the market value, provided they can be terminated at any time and are not refunded at par value plus interest when terminated.

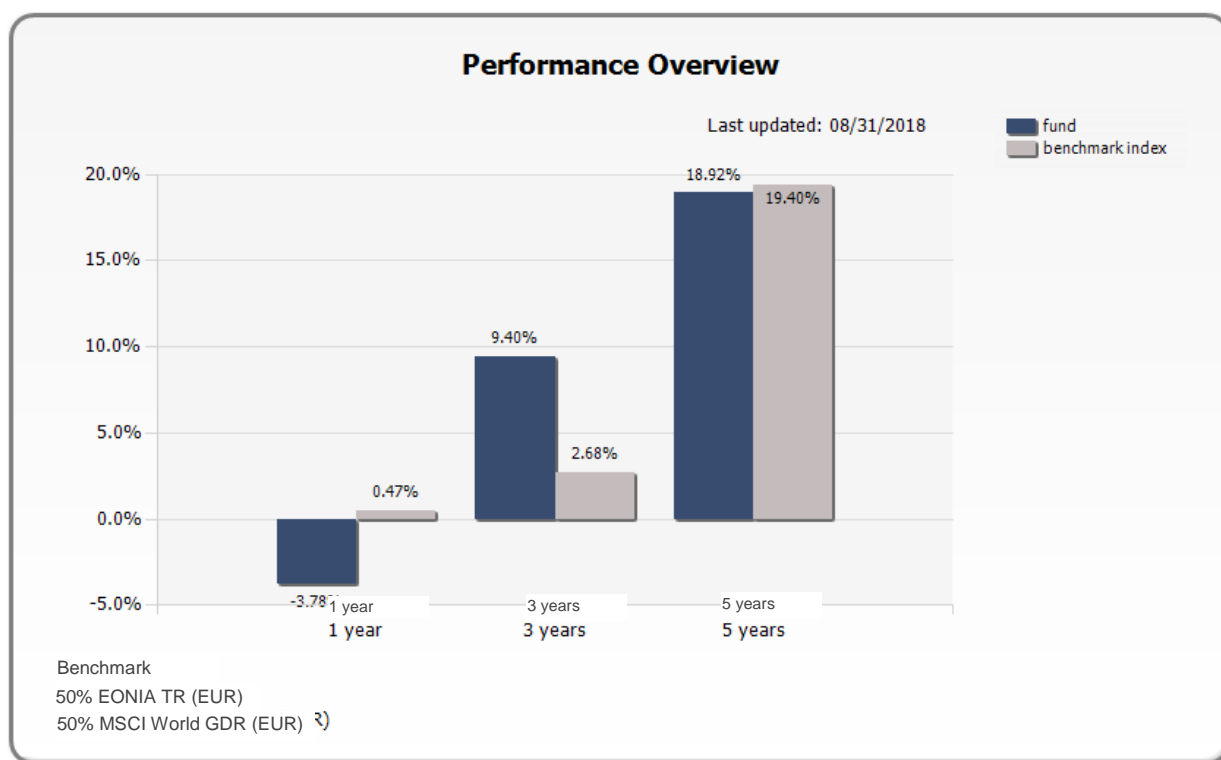
Units in investment funds (target funds) are valued, in principle, at their most recently determined redemption price or the latest available tradable price that ensures a reliable valuation. Should these values be unavailable, units in investment funds are valued at their current market value deemed appropriate on the basis of a careful assessment using suitable valuation models and taking current market conditions into account.

### Assets denominated in foreign currencies

Assets denominated in foreign currencies shall be converted (on the same day) into euro at their exchange rate determined on the basis of The WM Company fixing at 17:00 (CET).

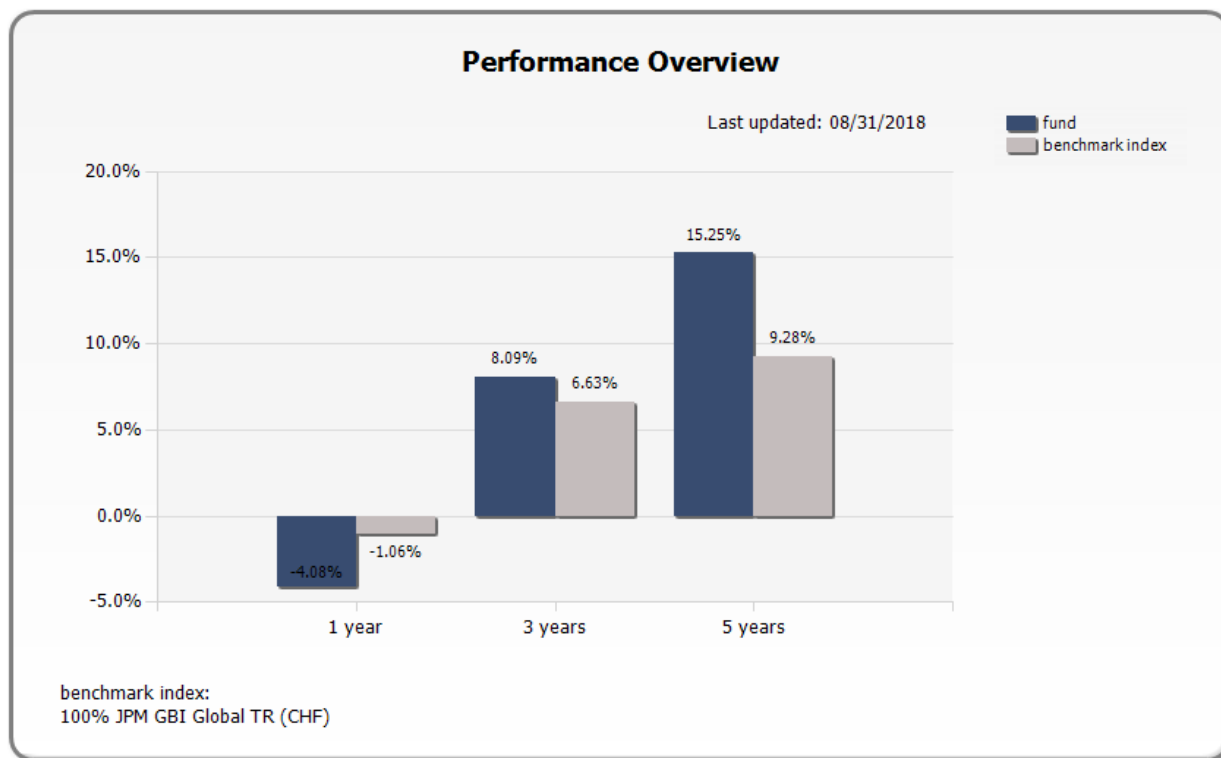
## 15. Performance

### Unit class A



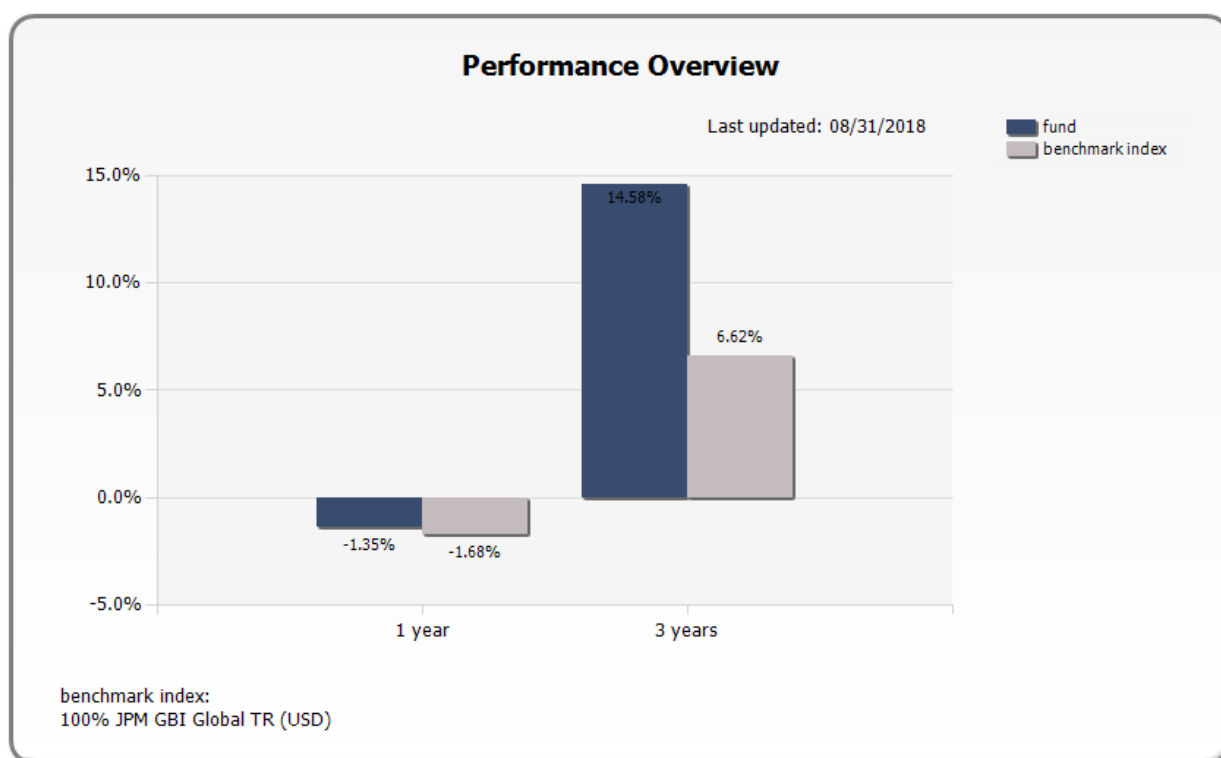
Performance using the BVI method (excluding issuing surcharges). Past performance is no guarantee of similar results in the future. It is not possible to predict these. Current performance details are published in the annual and semi-annual reports and on the Company's website (<http://www.acatis.de>).

### Unit class B (CHF)



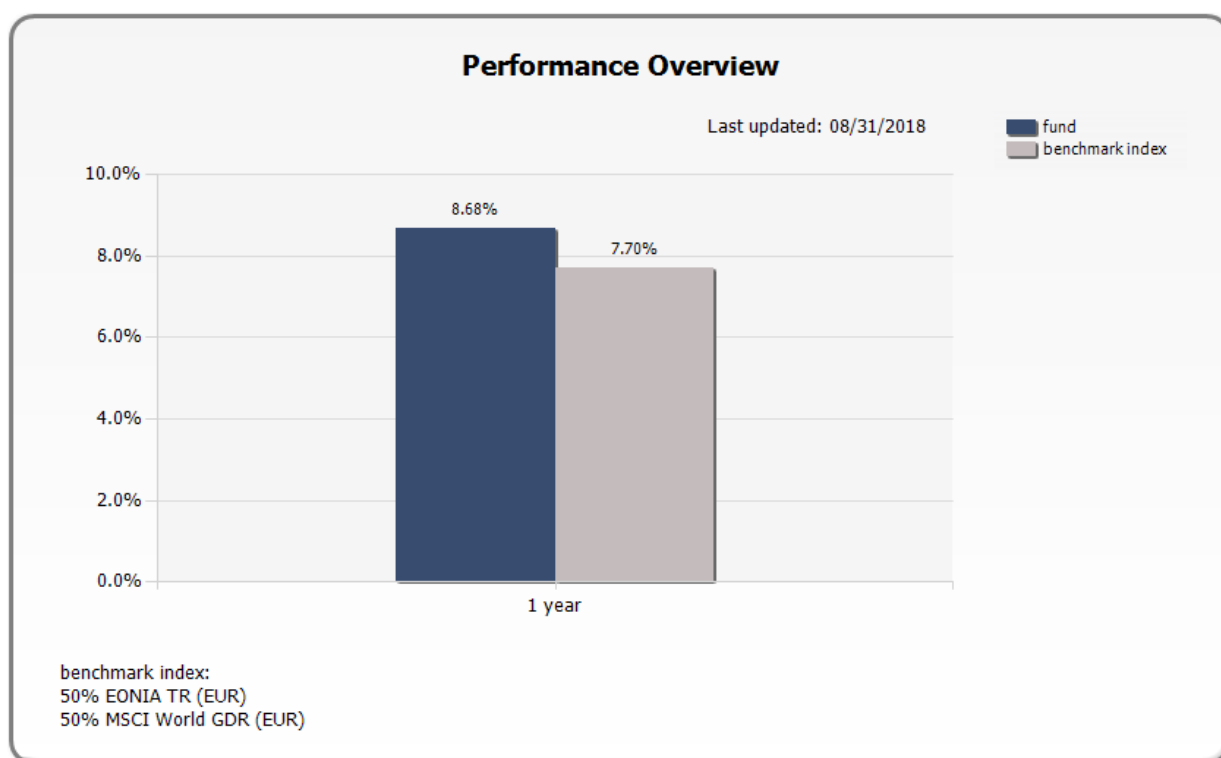
Performance using the BVI method (excluding issuing surcharges). Past performance is no guarantee of similar results in the future. It is not possible to predict these. Current performance details are published in the annual and semi-annual reports and on the Company's website (<http://www.acatis.de>).

## Unit class C (USD)



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

## Unit class X (TF)



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

## Unit class Y (CHF TF)

These unit classes have not been in existence for a sufficient amount of time to provide meaningful information as to their historical performance. Current performance details are published in the annual and semi-annual reports and on the Company's website (<http://www.acatis.de>).

In general, the past performance of a fund is no indicator of its future performance.

## 16. Sub-investment funds

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

## 17. Units

Investors' rights are securitised solely in global certificates when the Fund is launched. These global certificates are held in custody by a central securities depository. Investors are not entitled to the physical delivery of unit certificates. Units may only be purchased if they are held in custody. The unit certificates are made out to the bearer. When a unit certificate is transferred, the rights vested therein are also transferred.

## Issue and redemption of units

### Issue of units

In principle, there is no limit to the number of units that may be issued. The units can be acquired from the Custodian, which issues them at the issue price which is equal to their net asset value per unit ("unit value") plus an issuing surcharge. The acquisition may also be conducted via third parties; this may involve additional costs. The Company reserves the right to stop issuing units temporarily or permanently in whole or in part.

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

### Redemption of units

Investors may request the redemption of units on any valuation date regardless of the minimum investment amount, provided the Company has not temporarily suspended the redemption of units (see "Suspension of unit redemption"). Redemption orders must be placed with the Custodian or the Company. The Company is required to redeem units at the redemption price valid on the settlement date, which is equal to the unit value calculated on that date, less a redemption fee, if applicable. The redemption may also be carried out via third parties; this may involve additional costs.

### Settlement of unit issue and redemption

The Company observes the principle of treating all investors equally, by ensuring that no investors can gain advantages by buying or selling units at already known unit values. There is therefore a daily cut-off time for accepting orders. Issue and redemption orders received by the Custodian or Company before the cut-off time for orders will be settled no later than the valuation date following receipt of said orders (= settlement date) at their unit value then determined. Orders received by the Custodian or Company after the cut-off time will not be settled until the next valuation date plus one (= settlement date) at their unit value then determined. Details of the cut-off time for this Fund are available from the Custodian. This can change at any time.

Third parties, e.g. the institution maintaining the securities account, may also act as intermediaries with regard to the issue and redemption of units. These may take longer to settle. The Company has no influence with regard to the various settlement procedures of the institutions maintaining the securities accounts.

### Suspension of unit redemption

The Company may temporarily suspend the redemption of units should extraordinary circumstances arise which make such suspension appear necessary in the interests of investors. Such extraordinary circumstances include: the unscheduled closing of a stock exchange on which a significant portion of the Fund's transferable securities is traded; assets cannot be disposed of; or the Fund's assets cannot be valued. Moreover, BaFin may instruct the Company to suspend the redemption of units if this is deemed necessary in the interests of the investors or the public.

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

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

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

### **Exchange of units**

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

### **Liquidity management**

The Company has laid down written rules and procedures for the Fund which enable it to monitor the Fund's liquidity risks and ensure that the liquidity profile of the Fund's investments covers its underlying liabilities.

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

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



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

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

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

## Stock exchanges and markets

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

- - Hamburg stock exchange ("Fondsbörse Deutschland" segment),
- Düsseldorf stock exchange,

- Berlin stock exchange,
- Munich stock exchange,
- Frankfurt stock exchange.

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

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

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

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

The unit classes may differ in terms of the use of income, the issuing surcharge, the redemption fee, the currency of the unit value, including use of currency hedging transactions, the management fee, the custodian fee, the fee for the advisory or asset management companies, the performance fee, remuneration for the administration of derivatives transactions and securities for derivatives transactions, the distributor, the minimum investment amount or a combination of these characteristics. Unit classes shall be listed individually in the Sales Prospectus and in the annual and semi-annual reports. The characteristics of the unit classes are described in detail in the Sales Prospectus and the annual and semi-annual reports. For details of the ways in which the unit classes of the Fund may differ, see see Section 12 "Investment instruments in detail", Subsection "Currency-hedged unit classes", Section 16 "Units", subsections "Issue and redemption of units" and "Issue and redemption prices", Section 17 "Management fees and other costs" and Section 19 "Calculation and use of income; financial year."

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

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

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

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

An exception to this are currency-hedging transactions whose results are allocated to specific unit classes and that have no impact on unit value performance for the other unit classes. See Section 12 "Investment instruments in detail", Subsection "Currency-hedged unit classes" for more details.

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

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

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

## **Issue and redemption prices**

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

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

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

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

The income equalisation shall be calculated for each unit class.

## **Suspension of the calculation of the issue and redemption prices**

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

## **Issuing surcharge**

When determining the issue price, an issuing surcharge is added to the unit value. The issuing surcharge is equal to 3.00% of the unit value. The Company may charge a reduced issuing surcharge, or

not charge one at all, for the Fund or one or more unit classes. This issuing surcharge can reduce or even completely erode performance, particularly in the case of shorter investment periods. The issuing surcharge is essentially a fee for distributing units of the Fund. The Company may pass on the issuing surcharge to any intermediaries as remuneration for distribution services.

**For details of the current issuing surcharge for the individual unit classes, see Section C "Overview of the unit classes".**

### **Redemption fee**

No redemption fee is charged.

### **Publication of the issue and redemption prices**

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

## **18. Costs**

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

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

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

### **Management fees and other costs**

Fees to which the Company is entitled from the Fund:

In return for managing the Fund, the Company shall receive a fee (payable quarterly) in the amount of 1.50% p.a. of the UCITS investment fund's average value, calculated by taking the values on each valuation date. The Company may charge a reduced fee or waive the fee for the Fund or one or more unit classes.

Should any disputed claim be settled in or out of court on behalf of the Fund, the Company may charge a fee of up to 5% of the amounts obtained for said Fund, after deducting and settling the costs the Fund incurs in connection with such proceedings.

The fees to be paid out of the Fund to third parties are as follows:

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

The Company may employ the services of third parties for the purposes of or when managing derivative transactions and collateral for said transactions. In this case, these third parties as a whole shall receive a fee (payable quarterly) in the amount of 0.05% p.a. of the Fund's average value, calculated by taking the values on each valuation date. The Company may charge a reduced fee, or not charge one at all, for the Fund or one or more unit classes. These fees are not covered by the management fee; as a result, the Company charges them to the Fund.

The amount drawn from the Fund annually for the management fee, and in fees for third parties in the management of derivatives transactions and collateral for derivatives transactions and expenses for provision of analysis materials or services by third parties, may total up to 1.65% p.a. of the average value of the Fund, calculated from the values on each valuation day.

In return for the performance of its duties, the Custodian receives a fee (payable quarterly) amounting to 0.10% p.a. (at least EUR 10,000.00 p.a.) of the Fund's average value, which is calculated by taking the values on each valuation date. The Custodian bank may charge a reduced fee or waive the fee for the Fund or one or more unit classes.

At the expense of the Fund, the Company or asset management company may also (for each unit issued) receive a performance fee amounting to 15% of the amount by which the unit value performance exceeds the income on a benchmark money market investment during the accounting period by 2% p.a. as a threshold value; however, this amount shall be no more than 10% of the average value of the Fund or any unit classes in that accounting period. The benchmark is the EONIA® TR (EUR). This fee shall only be charged on the portion of the increase in value that also exceeds the highest unit value achieved at the end of the five immediately preceding accounting periods (high water mark). The first high water mark (starting value for the calculation) is the unit value as at 29 June 2013 or, for a unit class launched at a later date, the respective value as at the launch date. The Company or Asset Management Company may charge a reduced performance fee or waive the performance fee for the Fund or one or more unit classes.

The accounting period begins on 1 October and ends on 30 September of each calendar year. The first accounting period began on 30 June 2013 and ended on 30 September 2014.

The performance fee is determined by comparing the performance of the EONIA® TR (EUR) with that of the unit value, which is calculated using the BVI method, during the accounting period and taking the agreed additional threshold value and high water mark into consideration.

Based on the outcome of a daily comparison, any performance fee incurred is set aside within the Fund per unit issued and eliminated once again if the agreed increase in value or the high water mark has not been reached. The deferred performance fee existing at the end of the accounting period may be withdrawn.

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

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

- standard custodian and account fees, including any standard bank costs for the custody of foreign assets abroad;
- costs of printing and dispatching statutory sales documentation intended for investors (annual and semi-annual reports, Sales Prospectus, KIID);
- costs of publishing the annual and semi-annual reports, the issue and redemption prices and, if applicable, the distributions or reinvestments and the liquidation report;
- costs of setting up and using a durable medium, except in the case of information concerning fund mergers and measures in connection with investment limit infringements or calculation errors when ascertaining the unit value;
- costs of auditing the Fund by its auditor;
- costs of publishing the bases for taxation and certifying that the tax information has been drawn up pursuant to German tax regulations;
- costs of enforcing and implementing legal claims by the Company on behalf of the Fund, as well as defending claims raised against the Company at the cost of the Fund;
- fees and costs charged by government bodies with respect of the Fund;
- costs of legal and tax advice in connection with the Fund;
- costs and any charges that may arise in connection with the acquisition and/or use or designation of a benchmark or financial index;
- costs of appointing proxies;
- costs of analysing the Fund's investment performance by third parties;
- costs for the provision of analysis material or services by third parties in relation to one or more financial instruments or other assets or in relation to the issuers or potential issuers of financial instruments or in close connection with a certain industry or a certain market up to 0.10% p.a. of the UCITS investment fund's average value, calculated by taking the values on each valuation date;
- taxes incurred in connection with both the fees payable to the Company, Custodian and third parties as well as the aforementioned expenses, including taxes arising in connection with management and custody activities.

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

The following explanations in terms of the amounts to be charged to the Fund can be made for the aforementioned expenses:

- The fee for the auditor in return for auditing the Fund is composed of a basic fee and additional fees that depend in particular on the number of the Fund's segments and unit classes as well as the its volume; the maximum amount of this fee is EUR 15,000 plus VAT.
- The costs of publishing the bases for taxation and certifying that the tax information has been drawn up pursuant to German tax regulations amount to EUR 1,500 per financial year of the Fund.

- In cases in which a court or out-of-court settlement was reached or a ruling was made by a court within the framework of class actions, the appointed law firm may, to this effect, receive a fee amounting to up to 5% of the sums incurred by the Fund. Deviating conditions may apply or be agreed upon for active participation in a class action as a leading plaintiff, for private suits or other court or administrative proceedings. In these cases, the appointed law firm may receive up to 30% of the sums collected.
- To cover the costs of legal advice associated with marketing the Fund abroad, the Company estimates an amount of EUR 5,000 per financial year of the Fund. The costs during this period may actually be lower or higher. The amount specified is therefore an estimate.
- BaFin may charge fees or costs (borne by the Fund) for approving the Fund's Terms and Conditions of Investment, approving the Custodian, amending the Terms and Conditions of Investment as well as for other administrative acts related to the Fund. The amounts of these fees or costs can be found in the Regulation governing the apportionment of costs pursuant to the Financial Services Supervision Act [FinDAGKostV], as amended. The applicable version of this regulation is available on BaFin's website ([www.bafin.de](http://www.bafin.de)). For marketing the Fund abroad, the Company estimates costs of up to EUR 15,000 for public bodies per financial year of the Fund. The costs during this period may actually be lower or higher. The amount specified is therefore an estimate.
- The fee for appointing a proxy for the holding of General Meetings amounts to EUR 130 per General Meeting. If the General Meeting is held for several investment funds, a pro rata calculation for the Fund is carried out. The number of general meetings to be held by the proxy for the Fund depends on the latest composition of the portfolio in each case. No maximum amount is established or estimated beforehand.
- The amount of the costs incurred in the context of the acquisition and disposal of assets depends on the number of transactions actually conducted. For the period of one financial year of the Fund, the Company assumes a maximum amount of 2% of the Fund's average volume. The transaction costs during this period may actually be lower or higher. The aforementioned percentage is therefore an estimate.
- With regard to the other expenses mentioned above, only those that were actually incurred are charged to the Fund. Since the amount of these expenses depends, inter alia, on the volume of the Fund, the portfolio composition or the number of investors in the Fund, no maximum amount for these expenses is established or estimated beforehand.

The Company normally passes some of its management fee on to intermediaries in consideration for distribution services. This may account for a considerable proportion of said fee. The Custodian and Investment Consultancy Firm or Asset Management Company may use some of the fees they receive to support the distribution activities of intermediaries; said fees are usually based on the level of mediation involved.

The Company, Custodian and Investment Consultancy Firm or Asset Management Company may, at their discretion, agree with individual investors regarding the partial repayment to these investors of fees received. This applies in particular if institutional investors invest large amounts directly and on a long-term basis.

The Company may use non-cash benefits in connection with transactions conducted on behalf of the Fund (broker research, financial analyses, market and price information systems), which are used

when making investment decisions in the interests of the unitholders. The Company does not receive any refunds from fees and expenses paid from the Fund to the Custodian and third parties. Please also refer to the corresponding annual reports.

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

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

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

Investors should also bear in mind that, when acquiring other investment units, the Fund may be charged issuing surcharges and/or redemption fees. In addition to such costs, there are also fees, costs, taxes, commissions and other expenses in connection with investment units in which the Fund invests; these are to be borne directly by investors in the Fund. The Fund may also invest in investment units with a different fee structure (e.g. flat fee, performance fee) or for which additional types of fees may be charged.

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

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

### **Total expense ratio**

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

### **Differing cost statement from sales agents**

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



tion methods or estimates for the costs incurred at fund level that mainly include the transaction costs of the Fund.

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

## 19. Remuneration policy

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

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

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

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

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

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

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

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

## 20. Calculation and use of income; financial year

The Fund may generate income from interest, dividends and income on investment units accrued during the financial year and not used to cover costs. Other income may be generated from disposing of assets held on behalf of the Fund.

### Income equalisation procedure

The Company uses an income equalisation procedure for the Fund. This means that the pro rata income accrued during the financial year, which the buyer of units must pay as part of the issue price and which the seller of units receives as part of the redemption price, shall be settled on an ongoing basis. Accrued expenses are taken into account when calculating the income equalisation.

The income equalisation procedure is used to balance out fluctuations in the relationship between income and other assets that are caused by net inflows or outflows of funds due to the sale or redemption of units. Otherwise, every net inflow of liquid funds would reduce the proportion of income in the net asset value of the Fund, whilst every outflow would increase it.

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

### Use of income

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

Interim distributions are permissible.

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

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

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

## Financial year

The Fund's financial year begins on 1 October and ends on 30 September of the following year.

## 21. Liquidation, transfer and merger of the Fund

### Conditions for the liquidation of the Fund

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

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

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

### Procedure for liquidation of the Fund

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

The proceeds from disposing of the Fund's assets (less the costs still to be borne by the Fund and the costs incurred with the liquidation) shall be distributed to investors, who shall be entitled to the liquidation proceeds in proportion to their number of units held in the Fund.

On the day its management right expires, the Company shall draw up a liquidation report that meets the requirements for an annual report. This liquidation report shall be published in the German Federal Gazette no later than three months after the Fund is liquidated. While the Custodian is liquidating the Fund, it shall draw up reports annually, as well as on the day the liquidation has been completed, which meet the requirements for an annual report. These reports must be published in the German Federal Gazette no later than three months after the relevant date.

### Fund transfer

The Company may transfer the right to manage and to dispose of the Fund to another capital management company. Transfers are subject to prior approval by BaFin. Approved transfers shall be published in the German Federal Gazette and in the Fund's annual or semi-annual report. Investors shall also be informed about a planned transfer by the agent maintaining their securities account via a durable medium, i.e. in hard copy or electronic form. The date on which the transfer becomes effec-

tive is determined by the contractual agreements between the Company and the absorbing capital management company. Transfers shall become effective at the earliest three months after they are published in the German Federal Gazette. Other rights and obligations of the Company with respect to the Fund are then transferred to the absorbing capital management company.

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

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

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

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

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

The Company must inform the investors in the Fund of the reasons for the merger, the potential effects for the investors, their rights in relation to the merger and key procedural aspects before the planned transfer date by permanent data media such as in hard copy or electronic form. Investors shall also receive the KIID for the investment fund to which the Fund's assets will be transferred. Investors must receive the aforementioned information at least 30 days before the deadline for redeeming or exchanging their units expires.

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

Investors who do not exercise their right of redemption or conversion will become investors in the absorbing investment fund on the transfer date. Where appropriate, the Company may also agree with the management company of the absorbing investment fund that investors of the absorbed fund are paid up to 10% of the value of their units in cash. The Fund will cease to exist upon transfer of all of its assets. If the transfer is made during the current financial year of the Fund, the Company must draw up a report on the transfer date that meets the requirements for an annual report.

The Company shall announce in the German Federal Gazette, and also in the electronic media specified in this Sales Prospectus, when the Fund has been merged with another investment fund managed by the Company and the merger has become effective. If the Fund is to be merged with another

er investment fund that is not managed by the Company, the company managing the absorbing or newly established investment fund will be responsible for announcing that the merger has become effective.

## 22. Brief information on tax regulations

Statements concerning tax regulations apply only to investors who are subject to unlimited tax liability<sup>4</sup> in Germany. We recommend that foreign investors<sup>5</sup> consult their tax advisers prior to acquiring units in the Fund described in the Sales Prospectus in order to discuss any possible tax implications in their country of residence arising from the acquisition of units.

As a special-purpose fund, the Fund is generally exempt from corporation and trade tax. However, it is partially obligated to pay corporation tax with its domestic investment income and other domestic income in accordance with the restricted income tax obligation with the exception of profits from the sale of units in stock corporations. The tax rate amounts to 15%. If the taxable income is paid as part of the capital gains tax deduction, the tax rate of 15% already comprises the solidarity surcharge.

However, the investment returns are subject to income tax among private investors as income from capital assets unless it exceeds the currently valid saver lump sum<sup>6</sup> along with other capital income.

Income from capital assets is generally subject to a tax deduction of 25% (plus the solidarity surcharge and church tax). Income from capital assets also includes returns from investment funds (investment returns), i.e. the distributions of the Fund, the advance lump sums and the profits from the sale of units.

In principle, for the private investor, the tax deduction acts as a final payment (flat rate withholding tax), meaning that, as a rule, income from capital assets do not need to be declared in the income tax return. In principle, when deducting the tax, the institution maintaining the securities account will have already offset losses and foreign withholding taxes resulting from the direct investment.

However, the tax deduction does not act as a final payment if the personal tax rate is lower than the 25% withholding tax rate. In this case, income from capital assets may be declared in the income tax return. The tax authorities then apply the lower personal rate of tax and offset the aforementioned tax deduction against the personal tax liability (favourable tax treatment).

If income from capital assets was not subject to tax deduction (e.g. gains from the disposal of fund units were generated in a foreign securities account), said income must be declared in the tax return. As part of the assessment, income from capital assets is also subject to the withholding tax rate of 25% or the personal tax rate, whichever is lower.

<sup>4</sup> Investors with unlimited tax liability are hereinafter referred to as "residents for tax purposes".

<sup>5</sup> Foreign investors are investors who do not have unlimited tax liability. They are hereinafter referred to as "non-residents for tax purposes".

<sup>6</sup> The saver lump sum has amounted to EUR 801 for an single investment and EUR 1,602 for a collective investment since 2009.

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

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

### **Distributions**

Distributions of the Fund are generally taxable.

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

The tax deduction need not be applied if the investor is a resident for tax purposes and presents an exemption order, provided that the taxable income element does not exceed the<sup>7</sup> currently valid saver lump sum amount.

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

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

### **Advance lump sums**

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

Advance lump sums are generally taxable.

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

The tax deduction need not be applied if the investor is a resident for tax purposes and presents an exemption order, provided that the taxable income element does not exceed the<sup>8</sup> currently valid saver lump sum amount.

<sup>7</sup> The saver lump sum has amounted to EUR 801 for an single investment and EUR 1,602 for a collective investment since 2009.

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

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

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

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

In the case of profits from the sale of units that were acquired before 1 January 2018 and those deemed to be sold on 31 December 2017 and repurchased on 1 January 2018, it is important to note that the profits from the fictitious sale on 31 December 2017 are also taxed at the time of the actual sale if the units were actually acquired after 31 December 2008.

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

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

<sup>8</sup> The saver lump sum has amounted to EUR 801 for an single investment and EUR 1,602 for a collective investment since 2009.

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

If there is a loss on the sale, the loss in the amount of the partial exemption to be applied at investor level cannot be deducted.

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

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

If the investor is a domestic corporation, association of individuals or assets that are solely and directly used for charitable, benevolent or religious purposes according to the Articles of Association, the foundation business or the other constitution or a foundation under public law that is used solely and directly for charitable or benevolent purposes or a legal person under public law who is solely and directly used for religious purposes, it will be refunded any corporation tax incurred at fund level pro rata for its ownership period at the request of the Fund; this does not apply if the units are held in a commercial business. The same applies to similar foreign investors with a head office and company management in a foreign country offering administrative and recovery assistance. The refund requires that the investor has been a legal and beneficial owner of the units for at least three months before the inflow of the Fund's income subject to corporation tax without there being an obligation to transfer the units to another person. In terms of the corporation tax incurred by the Fund on German dividends and income from German equity-like participation rights, the refund also essentially requires for German shares and German equity-like participation rights to have been held by the Fund as a beneficial owner continuously for 45 days within 45 days before and after the date the capital gains are due and there are continuously minimum value change risks of 70% during these 45 days.

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

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

### **Distributions**

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

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

### **Advance lump sums**

The advance lump sum is the amount which the distributions of the Fund exceed the basic income for this calendar year by within a calendar year. The basic income is calculated by multiplying the redemption price of the unit at the beginning of a calendar year at 70% of the basic interest rate which is derived from the return from public bonds which can be generated in the long term. The basic income is limited to the surplus arising between the first and last redemption price fixed in the



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

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

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

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

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

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

If there is a loss on the sale, the loss in the amount of the partial exemption to be applied at investor level cannot be deducted.

### **Settlement taxation**

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

## Summary overview for the taxation of the usual business investor groups

	Distributions	Advance lump sums	Capital gains
<b>Domestic investors</b>			
Sole proprietorships	<u>Capital gains tax:</u> 25% (the partial exemption of 30% for equity funds or 15% for balanced funds is taken into account)		Capital gains tax: Not applicable
	<u>Material taxation:</u> Income tax and trade tax taking into account partial exemptions (equity funds 60% for income tax / 30% for trade tax; balanced funds 30% for income tax / 15% for trade tax)		
Corporations subject to standard taxation [Regelbesteuerung] (typically industrial companies; banks, provided units are not part of the trading portfolio; property insurers)	<u>Capital gains tax:</u> Not applicable for banks, otherwise 25% (the partial exemption of 30% for equity funds or 15% for balanced funds is taken into account)		Capital gains tax: Not applicable
	<u>Material taxation:</u> Corporation tax and trade tax taking into account partial exemptions (equity funds 80% for corporation tax / 40% for trade tax; balanced funds 40% for corporation tax / 20% for trade tax)		
Life and health insurance companies and pension funds in which the fund units are attributable to the capital investments	<u>Capital gains tax:</u> Not applicable		
	<u>Material taxation:</u> Corporation tax and trade tax, provided that a provision for contribution refunds is not established in terms of the commercial balance sheet that must also be recognised for tax purposes taking into account partial exemptions (equity funds 30% for corporation tax / 15% for trade tax; balanced funds 15% for corporation tax / 7.5% for trade tax)		
Banks which hold units of the Fund in the trading portfolio	<u>Capital gains tax:</u> Not applicable		
	<u>Material taxation:</u> Corporation tax and trade tax taking into account partial exemptions (equity funds 30% for corporation tax/15% for trade tax; balanced funds 15% for corporation tax/7.5% for trade tax)		
Tax-exempt charitable, benevolent or church investors (in particular churches and charitable foundations)	<u>Capital gains tax:</u> Not applicable		
	<u>Material taxation:</u> Tax-free – the corporation tax incurred at fund level may also be refunded on request or the capital gains tax may not be deducted at fund level if the conditions of Section 10 InvStG are met		
Other tax-exempt investors (in particular pension funds, death benefit funds and provident funds, provided they meet the conditions of corporation tax law).	<u>Capital gains tax:</u> Not applicable		
	<u>Material taxation:</u> Tax-free		

Subject to being held in a domestic custody account. An additional deduction in the form of a solidarity surcharge will be levied on the capital gains tax, income tax and corporation tax. It may be necessary to submit certificates to the institution maintaining the securities account on time in order to avoid the deduction of capital gains tax.

## Non-residents for tax purposes

If a non-resident for tax purposes holds fund units in a securities account with a domestic institution that maintains securities accounts, no withholding tax will be deducted from distributions, advance

lump sums and profits from the sale of units if he provides proof of his non-resident status. Should the institution maintaining the securities account not be informed about of the investor's status as a non-resident or if such evidence is not provided in a timely manner, the foreign investor must apply for reimbursement of the deducted tax pursuant to the German Fiscal Code<sup>9</sup> [Abgabenordnung — AO]. The competent tax authority is responsible for the institution maintaining the securities account.

## **Solidarity surcharge**

A solidarity surcharge of 5.5% is to be imposed on the tax deduction to be paid on distributions, advance lump sums and profits from the sale of units. The solidarity surcharge may be offset against income tax and corporation tax.

## **Church tax**

If income tax is already being collected by means of tax withheld by a domestic institution maintaining a custody account (withholding agent), church tax applicable to this income will be collected as a regular surcharge to the tax deduction, calculated using the rate of church tax for the religious group to which the person subject to church tax belongs. The deductibility of church tax as an extraordinary expense is taken into account during the tax deduction.

## **Foreign withholding tax**

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

## **Implications of the merger of investment funds**

The merger of a domestic investment fund with another domestic investment fund does not result in the disclosure of hidden reserves, neither at investor level nor at the level of the investment fund involved; in other words, this process is tax-neutral. The same applies for the transfer of all assets of a domestic investment fund to a domestic investment corporation with variable capital or a sub-fund of a domestic investment corporation with variable capital. If the investors in the absorbed investment fund receive a cash payment as envisaged in the merger plan,<sup>10</sup> this shall be treated in the same manner as a distribution.

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

The importance of the automatic exchange of information in relation to combating cross-border tax fraud and cross-border tax evasion has increased significantly at international level over the last few years. The OECD therefore published a global standard for the automatic exchange of information relating to financial accounts on tax matters (Common Reporting Standard, referred to hereinafter as "CRS") on behalf of the G20 in 2014. The CRS was agreed upon by more than 90 countries (participating countries) through a multilateral agreement. It was also integrated with the Directive

<sup>9</sup> § 37(2) AO.

<sup>10</sup> Sec. 190(2), point 2 KAGB.

2014/107/EU of the Council dated 9 December 2014 into the Directive 2011/16/EU relating to the obligation on the automatic exchange of taxation information at the end of 2014. The participating countries (all EU Member States and a number of third countries) employ the CRS from 2016 with reporting obligations from 2017. Only individual countries (e.g. Austria and Switzerland) will be permitted to employ the CRS a year later. Germany transposes the CRS into German law with the financial accounts information exchange act dated 21 December 2015 and employs this from 2016.

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

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

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

## 23. Outsourcing

The Company has assigned the following tasks to other companies:

- Operation of IT systems (IT and EDP)
- Internal audit.
- Fund administration services from 1 October 2018 for Universal-Investment-Gesellschaft mbH
- Portfolio management

The portfolio management for the Fund has been outsourced to Universal-Investment-Luxembourg S.A., acting via the Frankfurt am Main branch.

The following conflicts of interest may arise from this outsourcing:

- The Company does not act exclusively for the Company and may also provide portfolio management services for other investment funds and their investors;

## 24. Conflicts of interest

The following conflicts of interest may arise whilst managing the Fund.

The interests of investors may conflict with:

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

Circumstances and relationships that may give rise to conflicts of interest include in particular:

- Incentive systems for managing directors or employees of the Company, other companies in the same group as the Company or external companies that are contracted to provide services to enable collective portfolio management
- Personal transactions, involving assets held in the Fund managed by the Company, of managing directors or employees of the Company or managing directors or employees of companies that the Company has contracted to provide services to enable collective portfolio management
- Transactions between the Company and the investment funds or individual portfolios managed by the Company and/or transactions between investment funds and/or individual portfolios managed by the Company
- Combining a number of orders (block trades)
- Frequent trading
- Setting the cut-off time
- IPO allocations

- Delegating one or more functions to another company
- Exercising voting rights in respect of the shares held in the Fund
- Duties of the Custodian
- The interests of investors who wish to recover their investments and investors who wish to continue investing in the Fund
- Defining objectives when managing investments, investing in illiquid assets and the redemption principles of the Fund.

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

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

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

The Company may charge a fee for its brokerage services, if investment assets brokered by the Company, which may in particular include those managed by the Company, are acquired in the Fund.

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

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

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

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

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

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

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

- Investment adviser: IfK - Institut für Kapitalmarkt Investment GmbH, Kiel, on behalf of and under the responsibility of IfK - Institut für Kapitalmarkt -die Generationen Vermögensverwaltung-GmbH, Jacobsleiter 8, 24159 Kiel-Schilksee
- Distributor: IfK - Institut für Kapitalmarkt Investment, Kiel, has been appointed to distribute the fund. Appointing the Distributor does not establish legal relationships between said entity and in-

vestors in the Fund. However, legal relationships between the sales agent and investors may be created, if the latter uses the services of the former when acquiring units in the Fund.

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

## **26. Payments to unit-holders; circulation of reports and other information**

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

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

The Company also manages the public investment funds listed below, to which this Sales Prospectus does not relate:

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

ACATIS Datini Valueflex Fonds  
ACATIS GANÉ VALUE EVENT FONDS



## C. Overview of the unit classes

### Initial issue date

Unit class A	15 December 2008
Unit class B (CHF)	29 December 2010
Unit class C (USD)	22 January 2014
Unit class X (TF)	16 November 2017
Unit class Y (CHF TF)	7 June 2018

### Initial issue price

Unit class A	EUR 35.00 (plus issuing surcharge)
Unit class B (CHF)	CHF 100.00 (plus issuing surcharge)
Unit class C (USD)	USD 35.00 (plus issuing surcharge)
Unit class X (TF)	EUR 350.00
Unit class Y (CHF TF)	CHF 350.00

### Other purchase restrictions

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

### Issuing surcharge

Unit class A	currently 3.00%
Unit class B (CHF)	currently 1.00%
Unit class C (USD)	currently 1.00%
Unit class X (TF)	currently 0.00%
Unit class Y (CHF TF)	currently 0.00%

**Management fee**

Unit class A	currently 0,99% p.a.
Unit class B(CHF)	currently 1.02% p.a.
Unit class C (USD)	currently 1.02% p.a.
Unit class X (TF)	currently 0.95% p.a.
Unit class Y (CHF TF)	currently 0.98% p.a.

**Custodian fee<sup>11</sup>**

Unit class A	currently 0.05% p.a.
Unit class B (CHF)	currently 0.05% p.a.
Unit class C (USD)	currently 0.05% p.a.
Unit class X (TF)	currently 0.05% p.a.
Unit class Y (CHF TF)	currently 0.05% p.a.

**Performance fee<sup>12</sup>**

Unit class A	Up to 12.5% of the return generated by the Fund during the accounting period exceeding the benchmark (EONIA® TR (EUR)) plus a threshold value of 2% p.a., but only if the unit value reaches a new high water mark
Unit class B (CHF)	Up to 12.5% of the return generated by the Fund during the accounting period exceeding the benchmark (EONIA® TR (EUR)) plus a threshold value of 2% p.a., but only if the unit value reaches a new high water mark
Unit class C (USD)	Up to 12.5% of the return generated by the Fund during the accounting period exceeding the benchmark (EONIA® TR (EUR)) plus a threshold value of 2% p.a., but only if the unit value reaches a new high water mark
Unit class X (TF)	Up to 12.5% of the return generated by the Fund during the accounting period exceeding the benchmark (EONIA® TR (EUR)) plus a threshold value of 2% p.a., but only if the unit value reaches a new high water mark
Unit class Y (CHF TF)	Up to 12.5% of the return generated by the Fund during the accounting period exceeding the reference value (EONIA® TR (EUR)) plus a threshold value of 2% p.a., but only if the unit value reaches a new high

**Currency**

Unit class A	EUR
Unit class B (CHF)	Swiss franc
Unit class C (USD)	US dollar
Unit class X (TF)	EUR
Unit class Y (CHF TF)	Swiss franc

<sup>11</sup> At least €10,000 p.a. in relation to the Fund's total assets

<sup>12</sup> Cf. Section B. 17. Management fees and other costs in this Sales Prospectus.

**Benchmark**

Unit class A	JPM GBI Global TR® (EUR) <sup>13</sup>
Unit class B (CHF)	JPM GBI Global TR® (CHF) <sup>14</sup>
Unit class C (USD)	JPM GBI Global TR® (USD) <sup>15</sup>
Unit class X (TF)	JPM GBI Global TR® (EUR) <sup>16</sup>
Unit class Y (CHF TF)	JPM GBI Global TR® (CHF) <sup>17</sup>

**Use of income**

Unit class A	Distribution
Unit class B (CHF)	Distribution
Unit class C (USD)	Distribution
Unit class X (TF)	Distribution
Unit class Y (CHF TF)	Distribution

**Securities ID No. / ISIN:**

Unit class A	A0X758 / DE000A0X7582
Unit class B (CHF)	A1CS5A / DE000A1CS5A9
Unit class C (USD)	A1W9BC / DE000A1W9BC2
Unit class X (TF)	A2H5XH / DE000A2H5XH1
Unit class Y (CHF TF)	A2H5XJ / DE000A2H5XJ7

<sup>13, 27</sup> JPM GBI Global® TR (EUR) is a registered trademark of JPMorgan Chase & Co.

<sup>14, 28</sup> JPM GBI Global® TR (CHF) is a registered trademark of JPMorgan Chase & Co.

<sup>15</sup> JPM GBI Global® TR (USD) is a registered trademark of JPMorgan Chase & Co.

## D. List of sub-custodians

The safekeeping of all assets held on behalf of the Fund may be carried out for:

- domestic shares and bonds by Clearstream Banking AG, Frankfurt
- foreign shares/ bonds and fund units by BNP Paribas Securities Services S.C.A. - Frankfurt branch
- Domestic and foreign Fund units by Bankhaus B. Metzler seel. Sohn & Co. KGaA or Fondsdepot Bank GmbH.

These companies in turn use the services of sub-custodians in the respective countries listed in the following table.

Country	Name	Type of security
	Clearstream	Equity, Corp, FI, Gov FI, MM
Argentina	Citibank Buenos Aires	Gov FI
Argentina	Citibank Buenos Aires	Equity, Corp FI, MM
Australia	BP2S Sydney	Corp FI, Gov FI, MM
Australia	BP2S Sydney	Equity
Belgium	BNP Paribas Securities Services Paris	Equity, Corp FI
Belgium	BNP Paribas Securities Services Paris	Gov FI, MM
Chile	Citibank Santiago	Equity, Corp FI, Gov FI, MM
China	HSBC	Equity, Corp FI, Gov FI
Denmark	Nordea, Copenhagen	Equity, Corp FI, Gov FI, MM
Estonia	SEB Pank, Estonia	Equity, Corp FI, Gov FI, MM

Finland	Nordea Finland	Equity, Corp FI, Gov FI, MM
France	BNP Paribas Securities Services Paris	Equity, Corp FI, Gov FI, MM
Greece	BNP Paribas Securities Services Athens	Gov FI
Greece	BNP Paribas Securities Services Athens	Equity, Corp FI
Hong Kong	BNP Paribas Securities Services Hong Kong	Corp FI, Gov FI, MM
Hong Kong	BNP Paribas Securities Services Hong Kong	Equity
Iceland	Islandsbanki	Equity, Corp FI, Gov FI, MM
Indonesia	HSBC Jakarta	Gov FI
Indonesia	HSBC Jakarta	Equity, Corp FI, MM
Ireland	BNP Paribas Securities Services London	Equity, Corp FI, Gov FI
Italy	BNP Paribas Securities Services Milan	Equity, Corp FI, Gov FI, MM
Italy	BNP Paribas Securities Services Milan	Equity, Corp FI, Gov FI, MM
Japan	HSBC Japan	Equity
Canada	Royal Bank of Canada	Equity, Corp FI, Gov FI, MM
Canada	Royal Bank of Canada	Equity, Corp FI, Gov FI, MM
Kenya	Standard Chartered Bank Kenya	Corp FI, Gov FI, MM
Kenya	Standard Chartered Bank Kenya	Equity
Korea, Republic of	HSBC	Equity, Corp FI, Gov FI, MM

Latvia	SEB Banka, Latvia	Equity, Corp FI, Gov FI, MM
Lithuania	SEB Bankas, Lithuania	Equity, Corp FI, Gov FI, MM
Malaysia	HSBC Kuala Lumpur Berhad	Gov FI, MM
Malaysia	HSBC Kuala Lumpur Berhad	Equity, Corp FI
Malta		Equity, Corp FI, Gov FI, MM
New Zealand	BNP Paribas Securities Services Sydney	Equity, Corp FI, Gov FI, MM
Netherlands	BNP Paribas Securities Services Paris	Equity, Corp FI, Gov FI, MM
Norway	Nordea Bank	Equity, Corp FI, Gov FI, MM
Austria	BNP Paribas Securities Services Frankfurt	Equity, Corp FI, Gov FI, MM
Philippines	HSBC	Equity, Corp FI, Gov FI, MM
Poland	BNP Paribas Securities Services Warsaw	Equity, Corp FI, Gov FI
Portugal	BNP Paribas Securities Services Lisbon	Equity, Corp FI, Gov FI
Russia	ZAO Citibank	Equity
Russia	ZAO Citibank	Equity, Corp FI, Gov FI, MM
Sweden	SEB	Equity, Corp FI, Gov FI, MM
Switzerland	BNP Paribas Securities Services Zurich	Equity, Corp FI, Gov FI, MM

Singapore	BNP Paribas Securities Services Singapore	Equity, Corp FI
Singapore	United Overseas Bank Ltd	Gov FI
Slovakia	ING Slovak Republic	Equity, Corp FI, Gov FI
Slovenia	Unicredit Bank Slovenia	Equity, Corp FI, Gov FI, MM
Spain	BNP Paribas Securities Services Madrid	Corp FI, Gov FI
Spain	BNP Paribas Securities Services Madrid	Equity
South Africa	Standard Bank of South Africa, Johannesburg	Equity, Corp FI, Gov FI
Thailand	HSBC	Gov FI
Thailand	HSBC	Equity, Corp FI
Czech Republic	ING BANK N.V.	Treasury-Bill
Czech Republic	ING BANK N.V.	Equity, Corp FI, Gov FI
Turkey	TEB Securities Services	(OTC) Gov FI, MM
Turkey	TEB Securities Services	Equity, Corp FI, Gov FI, MM
Hungary	BNP Paribas Securities Services Budapest	Equity, Corp FI, Gov FI, MM
USA	BNP Paribas Securities Services New York	Equity, Corp FI, MM
USA	Brown Brothers Harriman & Company	Gov FI, MM
United Kingdom (Great Britain and Ireland)	BNP Paribas Securities Services London	Equity, Corp FI, Gov FI

## E. Purchaser's right of revocation

### Right of revocation

Should units in open-ended investment funds be purchased on the basis of oral negotiations outside the normal place of business of the party that sold or arranged the sale of the units, the purchaser will have two weeks in which to revoke his intention to buy in writing, such as by post, fax or e-mail, etc., without having to give a reasons. This right of revocation also applies if the party which sold the units or arranged their sale does not have established business premises.

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

Notice of revocation must be sent to

ACATIS Investment Kapitalverwaltungsgesellschaft mbH  
mainBuilding  
Taunusanlage 18  
60325 Frankfurt am Main Fax: +49 (069) 97 58 37 99  
E-mail: anfragen@acatis.de

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

### Revocation implications

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

Should the investor sell the units, the statements above apply mutatis mutandis.



## F. General Terms and Conditions of Investment

### GENERAL TERMS AND CONDITIONS OF INVESTMENT

**governing the legal relationship between the investors**

**and**

**UNIVERSAL-INVESTMENT-GESELLSCHAFT MBH<sup>18</sup>,**

**Frankfurt am Main,**

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

**for the directive-compliance investment funds managed**

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

**with the Special Terms and Conditions of Investment set up for the respective**

**UCITS investment**

**company.**

#### § 1 General provisions

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

#### § 2 Custodian

- (1) The Company shall appoint a credit institution as the Custodian of the UCITS investment fund; it shall act independently of the Company and exclusively in the interest of investors.

<sup>18</sup> With effect 1 October 2018 the right to manage and dispose of the UCITS investment fund was transferred to ACATIS Investment Kapitalverwaltungsgesellschaft mbH. The preamble of the terms and conditions of investment will be made in due course

- (2) The duties and obligations of the Custodian are governed by the Custodian Agreement entered into with the Company, the KAGB, and the Terms and Conditions of Investment.
- (3) The Custodian may outsource custodian duties to another company (sub-custodian) in accordance with § 73 KAGB. Further information regarding this matter can be found in the Sales Prospectus.
- (4) The Custodian shall be liable vis-à-vis the UCITS investment fund or vis-à-vis the investors for the loss of a financial instrument according to § 72(1), point 1 KAGB held by the Custodian or a sub-custodian to whom custody of financial instruments was outsourced pursuant to § 73(1) KAGB. The Custodian shall not be liable if it can prove that the loss is attributable to external events, the consequences of which were unavoidable despite all appropriate countermeasures. Further claims resulting from the provisions of civil law on the basis of agreements or tort remain unaffected. The Custodian is also liable vis-à-vis the UCITS or the investors for all other losses suffered by them as a result of the Custodian's negligent or intentional failure to properly fulfil its obligations pursuant to the provisions of the KAGB. The liability of the Custodian shall not be affected by any transfer of custodian duties referred to in the first sentence of (3) above.

### **§ 3 Fund management**

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

### **§ 4 Investment principles**

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

### **§ 5 Transferable securities**

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

- a) they are admitted to trading on a stock exchange in an EU Member State or another State party to the EEA Agreement or are admitted to or included in another organised market in any of these states,

- b) they are exclusively admitted to trading on a stock exchange in a state outside the EU or EEA, or are admitted to or included in another organised market in one of these states, provided this choice of stock exchange or organised market has been approved by BaFin<sup>19</sup>;
- c) their admission to trading on a stock exchange in an EU Member State or in another State party to the EEA Agreement or their admission or inclusion on an organised market in an EU Member State or in another State party to the EEA Agreement must be applied for in accordance with their terms of issue, provided these transferable securities are admitted or included within one year of being issued;
- d) their admission to trading on a stock exchange or their admission or inclusion on an organised market that is not in an EU Member State or in a State party to the EEA Agreement must be applied for in accordance with their terms of issue, provided these transferable securities are admitted or included within one year of being issued;
- e) they are shares to which the UCITS investment fund is entitled in the event of a capital increase from company funds;
- f) they are acquired by exercising subscription rights held by the UCITS investment fund;
- g) they are units in closed-end funds that meet the criteria under § 193(1) first sentence point 7 KAGB,
- h) they are financial instruments that meet the criteria under § 193(1) first sentence point 8 KAGB.

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

## § 6 Money market instruments

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

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

- a) admitted to trading on a stock exchange in an EU Member State or another State party to the EEA Agreement or are admitted to or included in another organised market in any of these states;
- b) exclusively admitted to trading on a stock exchange in a state outside the EU or EEA, or are admitted to or included in another organised market in one of these states, provided this choice of stock exchange or organised market has been approved by BaFin<sup>20</sup>;
- c) issued or guaranteed by the EU, the Federal Republic of Germany, a German federal government fund, a German federal state, another EU Member State or another national, regional or local authority or the central bank of an EU Member State, the European Central Bank or European Investment Bank, a third country or, if in the case of

<sup>19</sup> The stock market list is published on BaFin's website ([www.bafin.de](http://www.bafin.de)).

<sup>20</sup> The stock market list is published on BaFin's website ([www.bafin.de](http://www.bafin.de)).

- a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong;
  - d) issued by an undertaking whose transferable securities are traded on the markets stated in (a) and (b);
  - e) issued or guaranteed by a credit institution subject to prudential supervision in accordance with criteria defined by EU law, or by a credit institution which is subject to and complies with prudential rules considered by BaFin to be at least as stringent as those laid down by EU law; or
  - f) issued by other issuers and meet the requirements of § 194(1), first sentence point 6 KAGB.
- (2) Money market instruments within the meaning of (1) may only be acquired if they meet the relevant requirements of § 194(2) and (3) KAGB.

## § 7 Bank deposits

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

## § 8 Investment fund units

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

## § 9 Derivatives

- (1) In managing the UCITS investment fund, the Company may use derivatives as per § 197(1), point 1 KAGB and financial instruments with derivative components as per § 197(1), point 2 KAGB, unless the Special Terms and Conditions of Investment stipulate otherwise. In order to ascertain the degree of market risk, the limit of which is established in accordance with § 197(2) KAGB, for the use of derivatives and financial instruments with derivative components, the Company may – depending on the type and scope of the derivatives and financial instruments with derivative components used – use either the simple or qualified approach within the meaning of the Regulation on risk management and risk measure-

ment in the use of derivatives, securities lending and repurchase agreements in investment funds pursuant to the Capital Investment Code (DerivateV), enacted in accordance with § 197(3) KAGB; for further details, please refer to the Sales Prospectus.

- (2) Should the Company use the simple approach, it may regularly use only basic forms of derivatives, financial instruments with derivative components or combinations of such derivatives, financial instruments with derivative components plus underlying instruments permissible under § 197(1), first sentence KAGB. Only a negligible share of complex derivatives comprised of underlying instruments permissible under § 197(1), first sentence KAGB may be used. The attributable amount to be calculated for the UCITS investment fund in accordance with the provisions of § 16 DerivateV may not exceed the investment fund's value at any time.

Basic forms of derivatives are:

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

- (7) When using derivatives and financial instruments with derivative components, the Company shall comply with the DerivateV.

## § 10 Other investment instruments

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

## § 11 Issuer limits and investment limits

- (1) In its management activities, the Company shall comply with the investment limits and restrictions specified in the KAGB, the DerivateV and the Terms of Contract.
- (2) Up to 5% of the value of the UCITS investment fund may be invested in transferable securities and money market instruments (including transferable securities purchased under agreements to resell and money market instruments of a single issuer). However, up to 10% of the value of the UCITS investment fund may be invested in these transferable securities and money market instruments, if this is stipulated in the Special Terms and Conditions of Investment and the total value of the transferable securities and money market instruments of these issuers does not exceed 40% of the value of UCITS investment fund.
- (3) The Company may invest up to 35% of the UCITS investment fund's value each in bonds, borrower's note loans and money market instruments issued or guaranteed by the Federal Republic of Germany, a German federal state, the EU, an EU Member State or its local bodies, a State party to the EEA Agreement, a third country or an international organisation to which at least one EU Member State belongs.
- (4) The Company may invest up to 25% of the value of the UCITS investment fund each in mortgage bonds, public-sector bonds and bonds issued by credit institutions with their registered offices in an EU Member State or another State party to the EEA Agreement. This is subject to the following: said credit institutions are subject by law to special public supervision designed to protect the holders of such bonds; funds acquired through the issue thereof are invested (in accordance with the law) in assets that sufficiently cover the liabilities arising from these bonds during their entire term; and said funds are primarily used to repay the principal and pay interest, should the issuer default. Should the Company invest more than 5% of the value of the UCITS investment fund in bonds of a single issuer in accordance with the previous sentence, the total value of those bonds must not exceed 80% of the UCITS investment fund's value.
- (5) The limit in (3) above may be exceeded for transferable securities and money market instruments of a single issuer in accordance with § 206(2) KAGB, if permitted by the Special Terms and Conditions of Investment with regard to the issuers named therein. In such cases, the transferable securities and money market instruments held on behalf of the UCITS investment fund must originate from at least six different issues, and no single issue may exceed 30% of the UCITS investment fund's value.
- (6) The Company may not invest more than 20% of the UCITS investment fund's value in bank deposits as per § 195 KAGB at a single credit institution.
- (7) The Company must ensure that a combination of
  - a) transferable securities or money market instruments issued by a single institution,
  - b) deposits with such institution and

- c) attributable amounts for the counterparty risk of transactions entered into with that body,

do not exceed 20% of the value of the UCITS investment fund. The previous sentence applies to those issuers and guarantors stated in (3) and (4) above, with the stipulation that the Company must ensure that a combination of the assets and attributable amounts stated in the first sentence does not exceed 35% of the value of the UCITS investment fund. In both cases, the respective individual maximum limits remain unaffected.

- (8) The bonds, borrower's note loans and money market instruments referred to in (3) and (4) above are not taken into account when applying the 40% limit referred to in (2) above. Notwithstanding the provisions of (7), the limits referred to in (2)–(4) and (6)–(7) of this section may not be accumulated.
- (9) The Company may only invest up to 20% of the value of the UCITS investment fund in units of any one investment fund as per § 196(1) KAGB. The Company may only invest up to 30% of the value of the UCITS investment fund in units of investment funds in accordance with § 196(1), point 2 KAGB. The Company may, on behalf of the UCITS investment fund, not acquire more than 25% of the units issued by another open-ended domestic, EU or foreign investment fund that are invested (in accordance with the principle of risk diversification) in assets within the meaning of §§ 192–198 KAGB.

## § 12 Mergers

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

## § 13 Transferable securities lending

- (1) The Company may, on behalf of the UCITS investment fund, grant a transferable securities loan, which can be called at any time, to a securities borrower in return for market-rate compensation after the transfer of sufficient collateral in accordance with § 200(2) KAGB. The market value of the securities to be transferred, together with the market value of the securities already transferred as a securities loan on behalf of the UCITS investment fund to the same securities borrower, including companies in the same group within the meaning of § 290 of the German Commercial Code [Handelsgesetzbuch – HGB], may not exceed 10% of the value of the UCITS investment fund.
- (2) Should the securities borrower's collateral for the transferred securities be provided in the form of credit, said credit must be kept in blocked accounts pursuant to § 200(2), third



sentence, point 1 KAGB. Alternatively, the Company may exercise the option to invest this credit (in its currency) in the following assets:

- a) in high-quality bonds issued by the Federal Republic of Germany, a German federal state, the EU, an EU Member State or its local authorities, a State party to the EEA Agreement or a third country,
- b) in money market funds with a short maturity structure corresponding to the guidelines issued by BaFin on the basis of § 4(2) KAGB, or
- c) by way of a reverse repurchase agreement with a credit institution that guarantees the repayment of the accrued credit at any time.

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

- (3) The Company may also make use of a system for brokering and processing securities loans – organised by a securities clearing and deposit bank or another company stated in the Special Terms and Conditions of Investment, whose corporate purpose of said company is to process international securities transactions for others – which deviates from the requirements of §§ 200 and 201 KAGB, provided the conditions of such system guarantee that the interests of investors are protected and there is no deviation from the right of termination at any time in accordance with (1) above.
- (4) Unless otherwise specified in the Special Terms and Conditions of Investment, the Company may also allow transferable securities loans in connection with money market instruments and investment units, provided that the UCITS investment fund is permitted to acquire such assets. The provisions of (1)–(3) shall apply mutatis mutandis.

## § 14 Repurchase agreements

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

## § 15 Borrowing

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

## § 16 Units

- (1) The unit certificates to be securitised in the form of a collective certificate are issued to bearer.



- (2) Units may have different characteristics, particularly with regard to the use of income, the issuing surcharge, redemption fees, the currency of the unit value, the management fee, the minimum investment amount or a combination of these characteristics (unit classes). For details, please refer to the Special Terms and Conditions of Investment.
- (3) The units are transferable unless otherwise stated in the Special Terms and Conditions of Investment. When a unit is transferred, the rights vested therein are also transferred. The Company shall, in all cases, consider the bearer of the unit to be the beneficiary.
- (4) The rights of investors and the rights of investors in a unit class shall be securitised via a collective certificate. It must bear, at least, the handwritten or duplicated signatures of the Company and the Custodian. There will be no entitlement to individual certificates. Where physical certificates were delivered for the UCITS investment fund in the past and these are not held in collective custody by one of the bodies referred to in § 97(1)(2) KAGB after 31 December 2016, these physical certificates shall become invalid after 31 December 2016. Investor units will instead be securitised in a collective certificate and credited to a segregated account held by the Custodian. If an invalidated physical certificate is submitted to the Custodian, the depositor may request that a corresponding unit be credited to a securities account designated by it and held on its behalf. Physical certificates held in collective safekeeping as at 31 December 2016 by a body referred to in § 97(1), sentence 2 KAGB may be transferred to a collective certificate at any time.

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

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

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

- (1) In order to calculate the issue and redemption prices of units, the market value of the assets held by the UCITS investment fund less loans and other liabilities (net asset value) shall be determined and divided by the number of units issued (unit value). Should different unit classes be created for the UCITS investment fund pursuant to § 16(2), the unit value and issue and redemption price shall be calculated separately for each unit class. Assets shall be valued pursuant to §§ 168 and 169 KAGB and the Capital Investment Accounting and

Valuation Ordinance [Kapitalanlage-Rechnungslegungs- und Bewertungsverordnung – KARBV].

- (2) The issue price equals the value of a unit in the UCITS investment fund, plus (if applicable) an issuing surcharge to be specified in the Special Terms and Conditions of Investment pursuant to § 165(2)(8) KAGB. The redemption price will be equal to the value of a unit in the UCITS investment fund, plus (if applicable) a redemption fee to be specified in the Special Terms and Conditions of Investment pursuant to § 165(2), point 8 KAGB.
- (3) The settlement date for unit purchases and redemption orders shall be no later than the valuation date following receipt of the purchase/redemption order, unless otherwise provided in the Special Terms and Conditions of Investment.
- (4) The issue and redemption prices shall be determined on each trading day. Unless otherwise stipulated in the Special Terms and Conditions of Investment, the Company and Custodian may refrain from calculating the value on statutory public holidays which are trading days or on 24 or 31 December of each year; this is explained in more detail in the Sales Prospectus.

## § 19 Costs

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

## § 20 Accounting

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

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

- (1) The Company may cease managing the UCITS investment fund subject to at least six months' notice via publication of a notice in the German Federal Gazette, as well as in the annual or semi-annual report. Investors shall be immediately notified via durable medium of any termination notified pursuant to the previous sentence.
- (2) The right of the Company to manage the UCITS investment fund shall expire on the date on which termination takes effect. In this case, the UCITS investment fund and/or the right to dispose of it shall be transferred to the Custodian, which shall liquidate it and distribute the proceeds to investors. In return for the performance of its liquidation duties, the Custodian shall be entitled to a fee as well as to the reimbursement of its expenses incurred as a necessary part of the liquidation. With BaFin approval, the Custodian may refrain from the liquidation and distribution, and appoint another asset management company to manage the UCITS investment fund in accordance with the current Terms and Conditions of Investment.
- (3) On the day its management right expires pursuant to § 99 KAGB, the Company shall draw up a liquidation report that meets the requirements for an annual report pursuant to § 20(1) above.

## **§ 22 Change of capital management company and custodian**

- (1) The Company may transfer the right to manage and to dispose of the UCITS investment fund to another capital management company. Transfers are subject to prior approval by BaFin.
- (2) Approved transfers shall be published in the German Federal Gazette and in the annual or semi-annual report. Investors shall be immediately notified via durable medium of any transfer notified pursuant to the first sentence. Transfers shall become effective at the earliest three months after they are published in the German Federal Gazette.
- (3) The Company may change the custodian for the UCITS investment fund. Any such change is subject to approval by BaFin.

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

- (1) The Company may amend the Terms and Conditions of Investment.
- (2) Amendments thereto are subject to prior approval by BaFin. If the amendments referred to in (1) above relate to the UCITS investment fund's investment principles, they shall require the prior consent of the Company's Supervisory Board.
- (3) All planned amendments shall be published in the German Federal Gazette, as well as a financial or daily newspaper with sufficient circulation or in the electronic media stated in the Sales Prospectus. Any publication pursuant to the previous sentence shall state the planned amendments and their date of entry into force. Should there be any changes to costs within the meaning of § 162(2), point 11 KAGB, changes to the investment principles of the UCITS investment fund within the meaning of § 163(3) KAGB or changes to the material rights of investors, the investors must be informed, at the same time as publications in accordance with the first sentence of this paragraph, of what the planned changes to the Terms and Conditions of Investment essentially involve and the reasons therefor, as well as be provided with information regarding their rights under § 163(3) KAGB, in a comprehensible manner and by way of a durable medium pursuant to § 163(4) KAGB.

- (4) The amendments shall not enter into force until the day after they are published in the German Federal Gazette or, in the event of amendments to the costs or investment principles, until three months have passed since publication thereof.

## **§ 24 Place of performance**

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

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

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

**governing the legal relationship between the investors**

**and**

**UNIVERSAL-INVESTMENT-GESELLSCHAFT MBH<sup>21</sup>,**

**Frankfurt am Main,**

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

**for the**

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

**ACATIS IfK Value Renten,**

**applicable only in conjunction with the**

**General Terms and Conditions of Investment**

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

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

#### **§ 1 Assets**

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

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

<sup>21</sup> With effect 1 October 2018 the right to manage and dispose of the UCITS investment fund was transferred to ACATIS Investment Kapitalverwaltungsgesellschaft mbH. The preamble of the terms and conditions of investment will be made in due course

### § 1a Securities lending and repurchase agreements

Securities lending and repurchase agreements pursuant to §§ 13 and 14 of the General Terms and Conditions of Investment shall not be concluded.

### § 2 Investment limits

- (1) At least 2/3 of the UCITS investment fund is made up of bonds within the meaning of § 1(1).
- (2) Up to one third of the value of the UCITS investment fund may be invested in money market instruments, subject to § 6 of the General Terms and Conditions of Investment.
- (3) Transferable securities and money market instruments of a single issuer may be acquired in excess of 5% up to a value of 10% of the UCITS investment fund's assets if the total value of the transferable securities and money market instruments of this issuer does not exceed 40% of the Investment Fund's assets.
- (4) Up to 1/3 of the value of the UCITS investment fund may be held in bank deposits as specified in § 7 sentence 1 of the General Terms and Conditions of Investment.
- (5) Up to 10% of the value of the UCITS investment fund may be held in investment units as specified in § 8 of the General Terms and Conditions of Investment. The Company selects the investment units to be acquired either in accordance with the UCITS investment fund's Terms and Conditions of Investment or investment focus, or its most recent annual or semi-annual report. It may acquire all permitted types of units in domestic investment funds and investment corporations with variable capital and units in EU UCITS and open-ended investment funds (which are not EU UCITS) managed by EU management companies or foreign management companies. The share of the UCITS investment fund that may be held in units of the relevant type may not be more than the investment limit stated in the first sentence of this paragraph. The limits stated in § 11(9) of the General Terms and Conditions of Investment remain unaffected.

### § 3 Investment Committee

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

## UNIT CLASSES

### § 4 Unit classes

- (1) For the UCITS investment fund, unit classes may be formed in accordance with § 16(2) of the General Terms and Conditions of Investment. Such unit classes differ in terms of the use of income, the issuing surcharge, the currency of the unit value (including use of currency hedging transactions), the management fee, the Custodian fee, the performance fee, the fee for managing derivative transactions and collateral for derivative transactions, the Distributor, the minimum investment amount or a combination of these characteristics. Unit classes may be formed at any time at the Company's discretion.
- (2) Existing unit classes shall be listed individually in the Sales Prospectus and in the annual and semi-annual reports. The characteristics of the unit classes (use of income, issuing sur-

charge, currency of the unit value, management fee, Custodian fee, performance fee, the fee for the management of derivative transactions and collateral for derivative transactions, the Distributor, minimum investment amount or a combination of these characteristics) are described in detail in the Sales Prospectus and the annual and semi-annual reports.

- (3) Currency hedging transactions may be concluded exclusively in favour of an individual currency unit class. For foreign currency unit classes that are currency hedged in favour of the currency in which those unit classes are denominated (reference currency), the Company may also – notwithstanding the provisions of § 9 of the General Terms and Conditions of Investment – use derivatives (within the meaning of § 197(1) KAGB) on exchange rates or currencies so as to avoid losses in unit value resulting from foreign exchange losses relating to assets of the UCITS investment fund that are not denominated in the reference currency for that unit class.
- (4) Unit values are calculated for each unit class separately by taking the costs of creating new unit classes, distributions (including any taxes payable from the Fund's assets), the fees stated in (1) above and the results of currency hedging transactions related to a certain class of units, including any income equalisation, attributed exclusively to that unit class.

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

### **§ 5 Units**

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

### **§ 6 Issue and redemption prices**

- (1) The issuing surcharge is 3.0% of the unit value. The Company may charge a reduced issuing surcharge, or not charge one at all, for the UCITS investment fund or one or more unit classes. The Company shall specify the issuing surcharge for each unit class in the Sales Prospectus and the annual and semi-annual reports.
- (2) The redemption shall be performed at the unit value. No redemption fee is charged.

### **§ 7 Costs**

- (1) Fees to which the Company is entitled from the UCITS investment fund:
  - a) In return for managing the UCITS investment fund, the Company shall receive a fee (payable quarterly) in the amount of 1.50% p.a. of the UCITS investment fund's average value, calculated by taking the values on each valuation date. The Company may charge a reduced fee, or not charge one at all, for the UCITS investment fund or one or more unit classes. The Company shall specify the management fee for each unit class in the Sales Prospectus and the annual and semi-annual reports.
  - b) Should any disputed claim be settled in or out of court on behalf of the UCITS investment fund, the Company may charge a fee of up to 5% of the amounts obtained for said investment fund, after deducting and settling the costs the investment fund incurs in connection with such proceedings.

- (2) The fees to be paid out of the UCITS investment fund to third parties are as follows:
- a) The Company may call upon the services of an investment consultancy firm or asset management company when implementing its investment strategy. The fee of the investment consultancy firm or asset management company will be covered by the management fee stated in paragraph 1a).
  - b) The Company may call upon the services of third parties for the purposes of or when managing derivative transactions and collateral for said transactions. In this case, these third parties shall jointly receive a fee (payable quarterly) in the amount of 0.05% p.a. of the UCITS investment fund's average value, calculated by taking the values on each valuation date. The Company may charge a reduced fee, or not charge one at all, for the UCITS investment fund or one or more unit classes. These fees are not covered by the management fee; as a result, the Company charges them to the UCITS investment fund. The Company shall specify the fees paid to third parties for each unit class in the Sales Prospectus and the annual and semi-annual reports.
- (3) The amount withdrawn from the UCITS investment fund annually in fees pursuant to paragraphs 1(a) and 2 above and for reimbursement of expenses pursuant to paragraph 6(m) may be up to 1.65% of the UCITS investment fund's average value, calculated based on the values of each valuation date.
- (4) In return for performing its duties, the Custodian shall receive a fee (payable quarterly) in the amount of 0.10% p.a. (at least EUR 10,000.00 p.a.) of the UCITS investment fund's average value, calculated by taking the values on each valuation date. The Custodian bank may charge a reduced fee or waive the fee for the UCITS investment fund or one or more unit classes. The Company shall specify the Custodian Bank fee for each unit class in the Sales Prospectus and the annual and semi-annual reports.
- (5) At the expense of the UCITS investment fund, the Company or Asset Management Company may also (for each unit issued) receive a performance fee amounting to 15% of the amount by which the unit value performance exceeds the income on a benchmark money market investment during the accounting period by 2% p.a. as a threshold value; however, this amount shall be no more than 10% of the average value of the Fund or any unit classes in that accounting period. The benchmark is the EONIA<sup>®</sup> TR (EUR)<sup>22</sup>. Such a fee is only charged on that proportion of the increase in value that also exceeds both the highest unit value achieved at the end of the last preceding five accounting periods (high water mark). The first high water mark (starting value for the calculation) is the unit value as at 29 June 2013 or, for a unit class launched at a later date, the respective value as at the launch date. The Company or Asset Management Company may charge a reduced performance fee, or not charge one at all, for the UCITS investment fund or one or more unit classes. The Company shall specify the performance fee for each unit class in the Sales Prospectus and the annual and semi-annual reports.

The accounting period begins on 1 October and ends on 30 September of each calendar year. The first accounting period began on 30 June 2013 and ended on 30 September 2014.

The performance fee is determined by comparing the performance of the EONIA<sup>®</sup> TR (EUR) with that of the unit value, which is calculated using the BVI method<sup>23</sup>, during the accounting period and taking the agreed additional threshold value and high water mark into consideration.

<sup>22</sup> EONIA<sup>®</sup> is a registered trademark of EMMI a.i.s.b.l. (formerly Euribor EBF a.i.s.b.l.).

<sup>23</sup> An explanation of the BVI method is published on the website of BVI Bundesverband Investment und Asset Management e.V. ([www.bvi.de](http://www.bvi.de)).



Based on the outcome of a daily comparison, any performance fee incurred is set aside within the UCITS investment fund per unit issued and eliminated once again if the agreed increase in value or the high water mark has not been reached. The deferred performance fee existing at the end of the accounting period may be withdrawn.

- (6) In addition to the aforementioned fees, the following expenses are charged to the UCITS investment fund:
  - a) standard custodian and account fees, including any standard bank costs for the custody of foreign assets abroad;
  - b) costs of printing and dispatching statutory sales documentation intended for investors (annual and semi-annual reports, Sales Prospectus, KIID);
  - c) costs of publishing the annual and semi-annual reports, the issue and redemption prices and, if applicable, the distributions or reinvestments and the liquidation report;
  - d) costs of setting up and using a durable medium, except in the case of information concerning fund mergers and measures in connection with investment limit infringements or calculation errors when ascertaining the unit value;
  - e) costs of auditing the UCITS investment fund by its auditor;
  - f) costs of publishing the bases for taxation and certifying that the tax information has been drawn up pursuant to German tax regulations;
  - g) costs incurred by the Company for asserting and enforcing legal claims on behalf of the UCITS investment fund, as well as for defending claims raised against the Company at the cost of the UCITS investment fund;
  - h) fees and costs charged by public authorities in relation to the UCITS investment fund;
  - i) costs of legal and tax advice with regard to the UCITS investment fund;
  - j) costs and any charges that may arise in connection with the acquisition and/or use or designation of a benchmark or financial index;
  - k) costs of appointing proxies;
  - l) costs of third parties analysing the performance of the UCITS investment fund; and
  - m) costs for the provision of analysis material or services by third parties in relation to one or more financial instruments or other assets or in relation to the issuers or potential issuers of financial instruments or in close connection with a certain industry or a certain market up to 0.10% p.a. of the UCITS investment fund's average value, calculated by taking the values on each valuation date;
  - n) taxes incurred in connection with both the fees payable to the Company, Custodian Bank and third parties as well as the aforementioned expenses, including taxes arising in connection with management and custody activities.
- (7) In addition to the above-mentioned fees and expenses, costs incurred in connection with the acquisition and disposal of assets shall be charged to the UCITS investment fund.
- (8) The Company must specify in the annual and semi-annual reports the amount of issuing surcharges and redemption fees charged to the UCITS investment fund during the reporting period for the acquisition and redemption of units and shares within the meaning of § 196 KAGB. Concerning the acquisition of units that are managed directly or indirectly by the Company itself or by another company with which the Company is affiliated through a significant direct or indirect shareholding, the Company or the other company may not charge any issuing surcharge or redemption fee for the acquisition or redemption of units. In its annual and half-yearly reports, the Company shall specify the fee charged to the

UCITS investment fund by the Company itself, another management company, an investment company or another company associated with the Company via a substantive direct or indirect holding or a foreign investment company, including its management company, as a management fee for the units or shares held in the UCITS investment fund.

## USE OF INCOME AND FINANCIAL YEAR

### § 8 Income reinvestment

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

### § 9 Distribution

- (1) For distributing unit classes, the Company shall – while taking the relevant income equalisation into account – distribute the pro rata interest, dividends and income from investment units which, during the financial year, are allocated to the respective unit class, have accrued on behalf of the UCITS investment fund and have not been used to cover costs. Realised capital gains – taking the relevant income equalisation into account – may also be distributed on a pro rata basis.
- (2) Distributable pro rata income pursuant to (1) above may be carried over for distribution in subsequent financial years, provided that the total income carried over does not exceed 15% of the value of the UCITS investment fund as at the financial year end. Income from short financial years may be carried over in full.
- (3) Income may be reinvested in the UCITS investment fund on a pro rata basis, either in whole or in part, in the interest of preserving assets.
- (4) Distributions are made annually, within four months after the end of the financial year. Interim distributions may be provided for individual unit classes.

### § 10 Financial year

The financial year of the UCITS investment fund begins on 1 October and ends on 30 September of the following year.

