

# **Berenberg European Small Cap**

## **S a l e s P r o s p e c t u s**

including  
Management Regulations  
Edition: 13 February 2026



An investment fund of the Grand Duchy of Luxembourg

## Contents

<b>The Fund</b>	<b>8</b>
<b>The Management Company</b>	<b>9</b>
<b>UCI administrator</b>	<b>10</b>
<b>The Depositary and Paying Agent</b>	<b>11</b>
<b>The Registrar and Transfer Agent</b>	<b>11</b>
<b>The Collateral Manager</b>	<b>11</b>
<b>Special information</b>	<b>12</b>
a) Investment policy and investment limits	12
b) Notes on techniques for efficient portfolio management	12
c) Fund liquidity management tools for managing temporarily limited market liquidity	13
d) Notes concerning risks	13
e) Potential conflicts of interest	19
f) Risk management procedure	20
h) Repayment of collected flat fee to certain investors and commission sharing agreements	21
i) Issue, redemption, compulsory redemption and exchange of units	21
j) Annual and semi-annual reports	23
k) Use of earnings	23
l) Taxation of fund assets and income	23
m) Data protection	24
n) Prevention of money laundering	24
o) Governing law and contract language	25
p) Investor information	25
<b>Annex</b>	<b>26</b>
<b>Fund overview</b>	<b>26</b>
<b>Management Regulations</b>	<b>46</b>
Article 1 – The Fund	46
Article 2 – The Management Company	46
Article 3 – The Depositary	47
Article 4 – General guidelines on investment policy and investment limits	49
Article 5 – Calculation of the net asset value per unit	57
Article 6 – Issue of units	59
Article 7 – Restrictions on the issue of units	60
Article 8 – Redemption, compulsory redemption and exchange of units	61
Article 9 – Suspension of the issue and redemption of units and the calculation of net asset value	62
Article 10 – Fund costs and expenses	62
Article 11 – Audit	64
Article 12 – Use of income	64
Article 13 – Amendments to the Management Regulations	65
Article 14 – Publications	65
Article 15 – Term of the Fund and unit classes, merger, liquidation or winding up and closure	65
Article 16 – Limitation period and presentation period	66
Article 17 - Governing law, jurisdiction and contract language	67

**ANNEX – ADDITIONAL INFORMATION FOR INVESTORS IN THE UNITED KINGDOM**  
**Annex – Additional information for investors in Ireland ..... 70**

No information may be provided other than that which is available to the public and contained in this Sales Prospectus or in the documents mentioned herein.

The purchasing of units on the basis on information or statements which are not contained in this Sales Prospectus is undertaken entirely at the purchaser's risk. The following Management Regulations, including the annex ("Fund overview") to the Sales Prospectus, form an integral element of this Sales Prospectus.

This Sales Prospectus together with the Management Regulations in the latest valid version, the latest annual report and additionally the latest semi-annual report, should the annual report be older than eight months, and the Key Investor Information Document shall be provided to unitholders free of charge from the registered office of the Management Company, Depositary and any Paying Agent. This Sales Prospectus is valid only in conjunction with the latest respective annual report, and also the latest semi-annual report, should the annual report be older than eight months. It is not permissible to give information or explanations which deviate from the Sales Prospectus. If the data given in the Sales Prospectus changes, the current information must be taken from the annual and semi-annual report.

Some jurisdictions may impose restrictions on the distribution of this Sales Prospectus and the offer of fund units. Furthermore, this Sales Prospectus does not constitute an offer to sell or an invitation to purchase in a jurisdiction in which such an offer or such an invitation to purchase is not permitted, or if the offer is made to anyone within a jurisdiction to whom it is unlawful to make such an offer or invitation.

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

The Fund is neither registered in accordance with the United States Investment Company Act of 1940 in its amended form nor similar or corresponding legal provisions in another country with the exception of the provisions in this Sales Prospectus. The fund units were neither registered in accordance with the United States Securities Act of 1933 in their amended form nor similar or corresponding legal provisions in another country with the exception of the provisions in this Sales Prospectus. Except as part of transactions which do not contravene the legislation which is in force, units must not be offered for sale, sold, transferred or handed over in the United States of America or one of its territories or possessions, or to U.S. persons (according to the definitions used in US federal legislation relating to securities, goods and taxes including Regulation S enacted under the law of 1933) (collectively referred to as "U.S. persons"). No documents relating to the Fund may be circulated within the United States of America.

On 28 March 2014, the Grand Duchy of Luxembourg concluded an Intergovernmental Agreement with the United States of America (IGA; hereinafter referred to as: IGA Luxembourg-USA) to Improve International Tax Compliance and to Implement FATCA (Foreign Account Tax Compliance Act, FATCA). The provisions of the Luxembourg-USA IGA were implemented in the Luxembourg Law of 24 July 2015 relating to the Foreign Account Tax Compliance Act (FATCA). Within the framework of the FATCA provisions, Luxembourg financial institutions are required to periodically report information about financial accounts held directly or indirectly by U.S. persons to the competent authorities.

According to the current Luxembourg FATCA provisions, the Fund qualifies as a "restricted fund" pursuant to Annex II, Section IV(E)(5) of the Luxembourg-USA IGA, and it is therefore deemed to be a "non-reporting Luxembourg financial institution" as well as a "deemed-compliant foreign financial institution" under FATCA. As a result, the following types of investor are not permitted and therefore cannot invest in the Fund:

- Specified U.S. persons pursuant to Article 1, Section 1 (et seq.) of the Luxembourg-USA IGA,
- Non-participating Financial Institutions pursuant to Article 1, Section 1(r) of the Luxembourg-US IGA, and
- Passive Non-Financial Foreign Entities (NFFE) with one or more substantial U.S. owners within the meaning of the relevant implementing regulations issued by Department of the Treasury of the United States of America.

The Common Reporting Standard (CRS) pursuant to Directive 2014/107/EU was implemented in the Luxembourg Law of 18 December 2015 on the automatic exchange of information on financial accounts in tax matters (hereinafter: CRS law). Pursuant to the current Luxembourg CRS provisions, the Fund qualifies as a financial institution and is required to collect information on the financial accounts of its investors and report it to the competent authorities as necessary.

All investors declare that they are prepared to make voluntary disclosures, and to forward further relevant documents (such as W-8 tax forms) where necessary, to the Management Company of the Fund for FATCA and CRS purposes. If there is a change in the information, the investor must inform the Management Company of the Fund immediately (i.e. within 30 days) by transferring the relevant updated form.

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

For any questions concerning CRS and FATCA, investors and prospective investors are advised to contact their tax and/or legal adviser.

## **Administration and management**

### **Management Company and UCI administrator:**

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

Equity: EUR 29,008,288.00  
(as at: 30 September 2024\*)

### **Management Board of the Management Company:**

Jérémy Albrecht  
Member of the Management Board

Matthias Müller  
Member of the Management Board

Martin Groos  
Member of the Management Board

Gerrit van Vliet  
Member of the Management Board

business domicile for all of the above at 15, rue de Flaxweiler,  
L-6776 Grevenmacher,  
Grand Duchy of Luxembourg

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

Dr André Jäger  
Chairman of the Supervisory Board

Markus Neubauer  
Member of the Supervisory Board

Katja Müller  
Member of the Supervisory Board

Hilton Hess  
Member of the Supervisory Board

### **Depositary and Paying Agent:**

BNP Paribas – Luxembourg Branch  
60, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### **Registrar and Transfer Agent:**

BNP Paribas – Luxembourg Branch  
60, Avenue John F. Kennedy

L-1855 Luxembourg  
Grand Duchy of Luxembourg

**Portfolio Manager:**

Joh. Berenberg, Gossler & Co. KG  
Überseering 28  
D-22297 Hamburg

**Collateral Manager:**

Universal-Investment-Gesellschaft mbH  
Europa-Allee 92 – 96  
60486 Frankfurt am Main

**Auditor:**

Deloitte Audit S.à r.l.  
20 Boulevard de Kockelscheuer  
L-1821 Luxembourg  
Grand Duchy of Luxembourg

(also the Auditor for Universal-Investment-Luxembourg S.A.).

\*Up-to-date information on the equity of the Management Company and Depositary as well as the composition of the committees is contained in the latest annual and semi-annual reports.

## The Fund

The **Berenberg European Small Cap** fund (hereinafter “Fund”) is a pooled investment in the form of an investment fund (fonds commun de placement (FCP)) pursuant to Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment (“Law of 2010”) and in respect 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.

The Fund is managed by Universal-Investment-Luxembourg S.A. (hereinafter, “Management Company”), a public limited company (Aktiengesellschaft) according to the law of the Grand Duchy of Luxembourg which has its registered office in Grevenmacher, in its name for the collective account of the investors.

The Fund is set up for an indefinite period. The financial year begins on 1 January and ends on 31 December of each year.

Two or more unit classes may be provided within the Fund. If unit classes are formed for the Fund, this shall be mentioned in the table entitled “Fund overview”, stating the specific features or rights. Currency-hedged unit classes may also be introduced. If unit classes denominated in currencies other than the reference currency are formed, the risk of currency fluctuations can be in part reduced through the use of instruments and other techniques. The objective of reducing currency fluctuations which is defined in the “Fund overview” should be pursued with a hedge ratio of between 95% and 105%. However, there is no guarantee that this investment objective will be achieved.

According to the provisions of the Management Regulations set out below, a redemption fee may be charged for the redemption of units. The amount of the redemption fee and the conditions governing when it is to be charged can be found under “Fund overview” annex to the Sales Prospectus as well as in the Management Regulations.

The expenses and costs of the Fund are set out in Article 10 of the Management Regulations and under “Fund overview” in the annex to the Sales Prospectus.

The costs of establishing the Fund may be charged to the fund assets and written off within the first five financial years.

The investors hold a share in the assets of the Fund proportional to the units they hold. All units issued have equal rights.

The costs incurred for the management of the Fund during the reporting period are charged to the Fund (excluding transaction costs) and disclosed in the annual report, being stated as a ratio of the average fund volume (total expense ratio – TER).

In addition, the portfolio turnover ratio (TOR) is calculated each year using the following formula and is published in the Fund's annual report:  $TOR = [(Total1 - Total2) / M] \times 100$ , where:

Total1 = total transactions during the reference period = x + y

x = value of purchased assets during the reference period

y = value of sold assets during the reference period

Total2 = total transactions in units during the reference period = s + t

s = value of subscriptions during the reference period

t = value of repurchases during the reference period

M = average net fund assets during the reference period.

The MSCI Europe Small Cap Index is the benchmark index used for measuring fund performance.

The benchmark index used to measure performance is determined by the Management Company and may be changed if necessary. However, the Fund does not aim to replicate the performance of the benchmark index.

If the Fund assets are invested in target funds its performance may be impacted by a double charging of



expenses, especially since costs and expenses as defined in Article 10 of the Management Regulations are charged to both the target fund and the Fund.

The investment principles, objectives and limits of the Fund are presented below in the section “Special remarks” and in the annex (“Fund overview”) to the Sales Prospectus, in conjunction with Article 4 of the Management Regulations.

A detailed description of the Fund can be found in the “Fund overview” annex to the Sales Prospectus.

The current version of the Management Regulations has been filed at the Luxembourg Trade and Companies Register. A notice of its filing in the Trade and Companies Register was published on in the Recueil électronique des sociétés et associations, the electronic platform of the Grand Duchy of Luxembourg (hereinafter, “RESA”).

## The Management Company

Universal-Investment-Luxembourg S.A., a public limited company under the law of the Grand Duchy of Luxembourg, was founded on 17 March 2000 in Luxembourg for an indefinite period. Its registered office is at 15, rue de Flaxweiler, L-6776 Grevenmacher.

The Articles of Association of the Management Company were published in Mémorial C, Recueil des Sociétés et Associations (“**Mémorial**”) (replaced by the RESA) on 3 June 2000 and filed with the Luxembourg Trade and Companies Register (R.C.S. Luxembourg). The last amendment to the Articles of Association was published by the RESA and deposited with the Luxembourg Trade and Companies Register.

The Management Company has three Supervisory Board members who form the Supervisory Board. In addition, the Management Company has a Management Board consisting of three members appointed by the Supervisory Board who, in accordance with the provisions of the Luxembourg Law of 12 July 2013 on alternative investment fund managers of 2013 (“Law of 2013”) and within the limits of the powers granted by the Articles of Association, are entrusted with the day-to-day management and represent the Management Company in dealings with third parties (the “Management Board”). The Management Board ensures that the Management Company and all service providers perform their duties in accordance with the relevant laws and guidelines and this Sales Prospectus. The Board will report to the Supervisory Board on a regular basis or, if necessary, when a situation requires it to do so. The Supervisory Board exercises ongoing oversight over the Management Board's management of the Management Company, without itself being authorised to manage the business day-to-day; nor does it represent the Management Company in dealings with third parties.

The object of the Management Company is to launch and/or manage undertakings for collective investment in transferable securities (“UCITS”) and/or undertakings for collective investment (“UCI”) in accordance with the respective current version of the laws of 17 December 2010 or 13 February 2007, and to carry out all activities connected with the launch and management of these UCITS and/or UCIs.

The purpose of the Management Company is also the launching and/or management of Luxembourg and/or foreign Alternative Investment Funds (“AIFs”) that are authorised in accordance with Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (“AIFM Directive”). The management of AIFs involves at least the investment management functions for AIFs that are specified in point 1(a) and/or (b) of Annex I to the AIFM Directive, and, insofar as this is possible, the other duties that are specified in point 2 of Annex I to the AIFM Directive.

The Management Company may also undertake the administration of companies in accordance with the Law of 15 June 2004 (the SICAR Law), and of financial holding undertakings [sociétés de participation financière] which qualify as wholly owned investments of the UCIs and AIFs which are managed in line with paragraphs 1 and 2.

The Management Company may engage in any other business and take any other measures which promote its interests or which otherwise serve or may be useful in achieving its objectives, in accordance with Chapter 15 of the Law of 17 December 2010, the Law of 13 February 2007 and/or the Law of 12 July 2013.

The Management Company may also engage in administrative activities for a securitisation company as defined in the Law of 22 March 2004.

The names and sales documents of all the funds managed by the Management Company are available from the Management Company's registered office.

The monies accruing to the Fund are used for purchasing securities and other legally permissible assets according to the investment policy set out in the Management Regulations and in this Sales Prospectus.

In addition, the Management Company may take advice from one or more investment advisers with the costs of this being borne by the Fund.

For the management of the Fund, in order to implement the investment objectives, the Management Company may commission one or more professional external fund management companies at the cost of the Fund to take the investment decisions necessary for this within the framework of the investment policy and limits established for the Fund, although control and responsibility still rest with the Management Company. The fund management companies ("portfolio managers") and/or investment advisers appointed for the Fund can be found in the annex ("Fund overview") to the Sales Prospectus.

These fund management companies ("portfolio managers") supply their extensive knowledge of the investment markets relevant to the Fund and make the investment decisions necessary for the proper implementation of the investment policy.

The Management Company is subject to the applicable regulatory provisions governing the establishment of remuneration systems in accordance with Chapter 15 of the Law of 2010. The details of the system's structure have been specified by the Management Company in remuneration guidelines. Its structure is compatible with and facilitates the risk management procedures laid down by the Management Company, and it neither encourages the taking of risks that are incompatible with the risk profiles and the Management Regulations or Articles of Association of the funds that are managed by it, nor does it prevent the Management Company from acting according to its duty in the best interests of the Fund. The remuneration policy accords with the business strategy, objectives, values and interests of the Management Company and of the UCITS managed by it and of the investors in such UCITS, and it includes measures to prevent conflicts of interest.

At least once a year, the Universal-Investment Group's remuneration committee checks the appropriateness of the Management Company's remuneration system as well as its compliance with all the legal rules. It includes fixed and variable remuneration elements. Payment of remuneration on the basis of performance appraisals is spread over several years in order to ensure that the remuneration is paid out in line with the longer-term performance of the administered investment assets taking account of the associated investment risks. Setting ranges for overall remuneration ensures that there is no significant dependence on the receipt of variable remuneration and that the relationship between the fixed and variable remuneration is appropriate. In addition to the aforementioned remuneration elements, employees of the Management Company can obtain voluntary employer benefits-in-kind as well as material and retirement benefits.

Further details of the Management Company's current remuneration policy have been published online at [www.universal-investment.com/de/Verguetungssystem-Luxemburg](http://www.universal-investment.com/de/Verguetungssystem-Luxemburg). It includes a description of the valuation methods for remuneration and payments to certain employee groups, as well as details of the persons responsible for allocation, including the composition of the remuneration committee. On request, the Management Company will provide the information in hard copy form without charge.

## **UCI administrator**

The UCI administration takes on a variety of tasks and can be divided into three main functions. Register keeping, net asset value calculation ("NAV calculation") and fund accounting as well as customer communication.

The registrar function includes all tasks required to keep the fund register. This includes the entries, changes and deletions required for regular updating and keeping of the register.

NAV calculation means the specific and complete recording of transactions in order to keep the books and

records of the Fund properly in compliance with applicable legal, regulatory and contractual requirements and the relevant accounting principles, as well as the calculation and preparation of the NAV of the Fund in accordance with the applicable regulations.

The customer communication function includes the creation and dispatch of confidential documents intended for unitholders.

The Management Company may transfer the individual functions to third parties under its own responsibility and control.

The Management Company has transferred the function of keeping the register to BNP Paribas – Luxembourg Branch.

## **The Depositary and Paying Agent**

The Fund's assets are held in safekeeping by the Depositary.

The role and responsibility of the Depositary are governed by the Law of 2010, the Depositary Agreement made between the Management Company and Depositary and the rights and obligations as set out in Article 3 of the Management Regulations.

The Management Company has appointed BNP Paribas – Luxembourg Branch as the Depositary.

BNP Paribas – Luxembourg Branch is a branch of BNP Paribas.

BNP Paribas is an authorised bank incorporated in France as a société anonyme (public limited company) and registered in the Registre du commerce et des sociétés Paris (Trade and Companies Register) under the number 662 042 449, authorised by the Autorité de Contrôle Prudentiel et de Résolution (“ACPR”) and supervised by the Autorité des Marchés Financiers (AMF). Its registered office is at 16, Boulevard des Italiens, 75009 Paris, France, and it operates through its branch in Luxembourg, whose office is located at 60, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, and which is registered with the Luxembourg Trade and Companies Register under number B23968 and supervised by the *Commission de Surveillance du Secteur Financier* (the “CSSF”).

The Depositary of the Fund has also been appointed Paying Agent of the Fund in Luxembourg.

## **The Registrar and Transfer Agent**

The Registrar and Transfer Agent of the Fund is BNP Paribas – Luxembourg Branch whose registered office is at 60, Avenue John F. Kennedy, L-1855 Luxembourg.

It was appointed by the Management Company as an agent to ensure that the register is kept, one of the three main activities of the UCI administration, as explained in more detail in the section of the prospectus “UCI administrator”. This includes all tasks necessary to maintain the fund register, including the execution of applications and orders for the subscription, conversion, redemption and transfer of units.

## **The Collateral Manager**

Collateral management for the Fund's derivatives transactions is outsourced to Universal-Investment-Gesellschaft mbH, Europa-Allee 92 – 96, 60486 Frankfurt am Main (the “Collateral Manager”). The Collateral Manager will initiate the exchange of collateral to mitigate the risks of OTC derivative transactions (“Collateral Management”). This may involve the provision of collateral in the form of cash or securities which are to be exchanged between the counterparties concerned.

## Special information

### a) Investment policy and investment limits

The Fund's investment policy and investment limits are set down in the following Management Regulations in conjunction with the annex ("Fund overview") to the Sales Prospectus. The objectives of the investment policy are pursued while abiding by the principle of risk diversification. Particular note must be taken of Article 4 "General guidelines for investment policy and investment limits" of the Management Regulations, in which the other legally permissible assets and investment forms entailing increased risks are described. The latter comprise in particular transactions involving options and financial futures. In general, it should be pointed out that the performance of the fund units is largely determined by the changes in stock prices on each market day for the assets held in the Fund and the earnings. To achieve the investment objectives, it is also intended to use derivative financial instruments ("derivatives"). When using derivatives, the Fund shall not deviate from the investment objectives stated in the Sales Prospectus and Management Regulations. In general, it should be pointed out that the performance of the fund units is largely determined by the changes in stock prices on each market day for the assets held in the Fund and the earnings.

**The Management Company is authorised, while paying due attention to the principle of risk diversification, to invest up to 100% of the Fund's assets in securities from different issues which are issued or guaranteed by an EU Member State or its regional public authorities, by a non-EU OECD member country or by international public organisations to which one or more EU Member States belong. These securities must have been issued as part of at least six different issues, with securities from one and the same issue not making up more than 30% of the net fund assets.**

### b) Notes on techniques for efficient portfolio management

Pursuant to the amended CSSF Circular 08/356, the CSSF Circular 13/559, supplemented by the CSSF Circular 14/592 and the ESMA Guidelines ESMA/2014/937 (the "ESMA Guidelines"), efficient portfolio management techniques may be used for the Fund. Of these, the Fund currently only uses derivative transactions that can be concluded in any form. Securities financing transactions are currently not used.

All income resulting from techniques for efficient portfolio management, less direct and indirect operational costs, is paid to the Fund and forms part of the Fund's net asset value.

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

The Fund's annual report will provide details on the identity of any companies affiliated with Universal-Investment-Luxembourg S.A. or the Depositary of the Fund that receive direct and indirect operational costs and fees.

All income arising from the use of techniques and instruments for efficient portfolio management, less direct and indirect operational costs, accrue to the Fund in order to be reinvested in line with the Fund's investment policy. The counterparties to the agreements on the use of techniques and instruments for efficient portfolio management are selected according to the Management Company's principles for executing orders for financial instruments (the "best execution policy"). These counterparties will essentially comprise recipients of the direct and indirect costs and fees that are incurred in this connection. The costs and fees to be paid to the respective counterparty or other third party will be negotiated on market terms.

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

The use of derivatives must not, under any circumstances, cause the Fund to deviate from its investment policy as described in this Sales Prospectus, or expose the Fund to additional significant risks that are not outlined herein.

The Fund may reinvest cash which it receives as collateral in connection with the use of techniques and instruments for efficient portfolio management, pursuant to the provisions of the applicable laws and regulations, including CSSF Circular 08/356, as amended by CSSF Circular 11/512, CSSF Circular 13/559, supplemented by CSSF Circular 14/592 and the ESMA Guidelines.

### **c) Fund liquidity management tools for managing temporarily limited market liquidity**

#### **Redemption gate**

The Management Company reserves the right to redeem no more than 10% of the net fund assets of a fund on a valuation day.

In the case of redemption applications which exceed 10% of the net fund assets on a valuation day, the Management Company may declare that any redemption which exceeds 10% of the net fund assets of the Fund will be partially postponed until the next valuation day.

It is treated on an equal footing with subsequent redemption applications on this valuation day. The same rules apply on this valuation day as on any other valuation day.

The Management Company has delegated decision-making authority on the implementation of gating, including the parameters used (e.g. deferred part of the redemption application), to a committee within the Management Company.

#### **Extension of the redemption period**

The Management Company may decide to temporarily extend the usual notice period that investors must observe with respect to the Management Company when redeeming their units, in order to give the Portfolio Manager more time to process redemption applications, for example in exceptionally deteriorated market conditions.

The Management Company has delegated the power to decide on the temporary extension of the notice period to a committee within the Management Company.

### **d) Notes concerning risks**

The following risks may be encountered as a result of the Fund's investment policy.

#### **(c)(1) Risks entailed by Fund units**

Investing in fund units is a form of investment that is characterised by the principle of risk diversification. However, it cannot be excluded that there will be risks entailed from investing in fund units, particularly as a result of the Fund's investment policy, the assets held in the Fund and transactions in the units. With regard to their risks and rewards, fund units are comparable to securities, and possibly in combination with the instruments and techniques employed.

In the case of units denominated in a foreign currency, the exchange rates entail risks and rewards. It must also be considered that such units are exposed to what is referred to as "transfer risk". The purchaser of the units only makes a profit on selling his units if the increase in value exceeds the front-end load paid at the time of purchase, taking into account the redemption fee. In the case of just a brief duration of the particular investment the front-end load may reduce the performance for the investor or even result in losses.

There is a risk of loss in the case of assets held abroad in particular which can result from insolvency, failures in the duty of care or abusive conduct by the depositary or a sub-custodian (**depositary risks**).

The Fund may fall victim to fraud or other criminal acts. It may suffer losses as a result of misunderstandings or errors on the part of employees of the Management Company or external parties or due to external events such as natural disasters (**operational risks**).

#### **(c)(2) Risks entailed by the Fund's investments**

##### **General risks inherent in securities**

When choosing investments, the expected performance of the assets takes priority. It should be noted that,

in addition to the opportunities for price gains and income, securities are exposed to the risk that their price will fall below the original price paid at the time of purchase.

### **Risks entailed by shares**

Experience tells us that the prices of shares and share-like securities (e.g. index certificates) are subject to major fluctuations. They therefore offer opportunities for considerable gains in price although there are also corresponding risks to be considered. The factors influencing the price of shares are in particular the profit development of individual enterprises and sectors as well as general economic developments and political perspectives which determine expectations on the stock markets and ultimately the pricing.

### **Risk in the case of fixed-rate and variable-rate securities and zero-coupon bonds**

Factors which influence changes in the prices of interest-bearing securities are above all the development of interest rates on the capital markets which are in turn affected by general economic factors. With rising capital market interest rates, interest-bearing securities may suffer falls in price, whilst they may rise when interest rates on the capital markets fall. The changes in price also depend on the term or remaining term of the interest-bearing securities. As a rule, interest-bearing securities with shorter terms are exposed to lower price risks than interest-bearing securities with longer terms. However, this generally means that lower yields have to be tolerated as well as higher reinvestment costs because of the more frequent (shorter) maturities of the securities held.

Variable-rate securities are subject to interest rate risks to a lesser extent than fixed-rate securities.

Duration management is a possible means of controlling interest rate risk. The duration is the weighted lock-in period for the capital employed. The longer the duration of a security, the more strongly the security will react to changes in interest rates.

Because of their comparatively longer term to maturity and the lack of regular interest payments, securities without regular interest payments and zero-coupon bonds react to a higher degree than fixed-rate securities to changes in the interest rates. During periods of rising capital market interest rates the marketability of such debt securities may be restricted.

### **Legal and tax risk**

Changes to tax regulations and tax assessment of circumstances in the various countries in which the sub-fund in question holds assets, and in the unitholders' countries of domicile and the Fund's country of domicile, may have adverse effects on the tax situation of the Fund or of its unitholders.

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

Since 1 January 2018, certain income generated in Germany (particularly income from dividends, rent and gains from the sale of property) has been taxed at fund level. Exemptions to this fund-level taxation are only possible if the fund units are held by certain tax-privileged investors or held under old-age provision or basic pension agreements (Riester/Rürup pension plans).

In particular, since 2018, investors have not been exempt from paying tax on gains from the sale of shares, and it has not been possible to deduct withholding taxes levied on income earned by the fund at investor level.

To compensate for prior tax charges, investors may, subject to certain conditions, be entitled to receive part of the income earned by the Fund as a tax-free lump sum (referred to as "partial relief"). However, since the partial relief is provided as a flat-rate, this mechanism cannot be relied upon to fully compensate for said charges in all cases. If the applicable partial exemption regime changes, or the requirements relating thereto cease to apply, then the investment unit shall be regarded as sold.

Furthermore, a different assessment of the partial exemption requirements by the financial authorities may also lead to a partial exemption being denied in principle.

### **ATAD**

The European Union has adopted Directive 2016/1164 to combat tax avoidance practices ("ATAD 1"). The Directive implements recommendations for action from the OECD's BEPS project. These include regulations on the taxation of hybrid mismatches, interest deduction restrictions, regulations on the taxation of additions

and a general tax abuse regulation. Luxembourg has transposed ATAD 1 into national law and has applied these rules since 1 January 2019. ATAD 1 was supplemented by the amending directive of 29 May 2017 ("ATAD 2") in relation to hybrid arrangements with third countries. While ATAD 1 provided rules for certain hybrid mismatches between Member States, ATAD 2 extends the scope of the Directive to various other mismatches between Member States and to mismatches between Member States and third countries. The requirements of ATAD 2 have also been transposed into national law in Luxembourg and will be applied from 1 January 2020. An exception to this are the rules on "reverse hybrid mismatches", which Member States will only have to apply in national law from 1 January 2022. The impact of the BEPS Action Plan and of ATAD 1 and ATAD 2 may result in additional tax charges at the level of the Fund, target funds, alternative investment vehicles, holding companies or portfolio companies, which may reduce the value of the Fund's investment without the AIFM being able to legally influence this. The Management Company may decide, at its discretion, that an investor whose tax status has caused an additional tax burden shall bear said burden.

## **DAC6**

In 2017, the European Commission proposed new transparency obligations for intermediaries such as tax advisers, auditors, banks and lawyers who design and market tax arrangements for their customers. On 13 March 2018, EU member states reached a political agreement on new transparency rules for such intermediaries. As a result, the EU Directive on administrative cooperation in the field of taxation (2011/16/EU) was amended by EU Directive 2018/822. Accordingly, users and intermediaries will have to report information on cross-border tax arrangements to their competent tax authority under new reporting obligations ("DAC6"). This information is subject to an automatic exchange of information among EU member states. These rules require affected intermediaries and subsidiary users to report the details of relevant arrangements made after 25 June 2018.

There is a possibility that the new disclosure requirements will impact transparency, disclosure and/or reporting with respect to the Fund and its investments, as well as investor participation in the Fund.

## **Risks in the case of participation certificates**

Under their terms of issue participation certificates mainly have the character of bonds or of shares. The risks entailed by them are similar to those posed by bonds or shares.

## **Creditworthiness risk**

Even with a cautious selection of the securities that are to be acquired, creditworthiness risk, i.e. the risk of loss due to the insolvency of issuers (issuer risk), cannot be excluded.

## **Credit risk**

The Fund may invest part of its assets in government or corporate bonds. The issuers of such bonds may become insolvent, meaning that some or all of the value of the bonds could be lost.

## **Sector risk**

Sector risk is the dependence on the performance of corporate profits in a single sector or in related sectors. It includes risk factors within the business environment over which a company has minimal or no influence.

## **Counterparty risk**

For non-traded transactions there may be a counterparty risk in that the contracting party is either unable to meet his obligations to pay or settles them partially or with a delay. The contract parties are first-rate financial institutions which specialise in such business.

## **Concentration risk**

Risks may arise if the investment is concentrated on certain assets or markets. The Fund is then particularly dependent on the performance of these assets or markets. If the Fund focuses its investment activities on particular countries or regions, its level of risk diversification will be also reduced. As a consequence, the Fund is particularly dependent on the development of individual countries/regions or countries/regions with close ties and the companies domiciled and/or operating in them. Economic or political instability in countries where the Fund invests may lead to the non-payment or partial payment of funds it is owed despite the issuer of the respective security or other asset being solvent. Reasons for this may include currency or transfer restrictions or other legislative changes.

## **Country risk**

If the Fund focuses its investment activities on particular countries, its level of risk diversification will be

reduced. As a consequence, the Fund is particularly dependent on the development of individual or related countries and the companies domiciled or operating in them. Investments in emerging markets offer the chance of above-average earnings because of the fast economic growth of such upwardly aspiring markets. However, because of the higher volatility of the market and exchange rates and other default risks, this may entail greater risks.

### **Liquidity risk**

The liquidity of a financial market product is viewed as the ease and speed with which it can be resold at a fair price. With regard to the liquidity risks of the Fund's assets, various factors such as the instrument category or stock exchange turnover are taken into account.

Securities may also be acquired for the Fund which have a lower stock exchange turnover or are traded on less liquid markets. The acquisition of such securities involves the risk of accompanying price fluctuations and may result in delays and discounts in the event of the sale of the securities and, consequently, in a delay to the redemptions of units that are referred to in Article 8.

Taking into account the investment strategy, the Fund is therefore generally exposed to an increased liquidity risk.

### **Risks in the case of certificates**

Certificates grant the issuer a claim to be paid a redemption amount which is calculated according to a formula set in the particular terms of the certificate and depends on the price of the security underlying the certificate.

Leverage provides above-average risk-reward ratios for various types of certificate. Leverage (also: leverage effect) has the impact of a multiplier; it is brought about when only a fraction of the capital investment is paid in for financial instruments, although the investor has full participation in any price changes of the underlying security. By this means a particular price movement is simplified in relation to the capital employed and may lead to disproportionate profits or losses.

### **Risk in the case of financial futures**

Financial futures (derivatives) can be concluded as traded contracts or as over-the-counter contracts. Exchange-traded contracts are usually more highly standardised, and they have high liquidity and a lower counterparty default risk. In the case of OTC transactions, these characteristics are not always so obvious (see counterparty risk and liquidity risk, among others).

Financial futures can be subdivided into those with a symmetrical risk profile, e.g. futures, forwards, forward exchange rate contracts, swaps, etc. and those with an asymmetrical risk profile, e.g. options, warrants, and derivatives based on option rights, e.g. caps, floors, etc.

Financial futures are associated with considerable opportunities, but also entail risks because only a fraction of the contract volume (margin) has to be paid immediately. If the Management Company's expectations are not fulfilled, the difference between the price used as basis on closing the deal and the market price at the latest at the time the transaction is due must be paid by the Fund. The amount of loss exposure is therefore unknown at the outset and may even exceed any collateral that is provided.

This may render temporary rights acquired through financial futures worthless or reduce their value.

Transactions through which it is intended to restrict or even exclude the risks arising through financial futures transactions may possibly not occur or may entail a loss-making market price.

The risk of loss increases when credit is used to satisfy obligations arising through financial futures or the commitment from such transactions or the consideration claimable for this is denominated in a foreign currency or unit of account. Listed options and futures also involve a market risk as a consequence of the change in exchange rates, interest rates, etc. or the corresponding underlying securities, e.g. rises and falls in share prices.

Financial futures can be used for investment purposes but also for hedging. Hedging transactions serve to reduce downside risks. Since these hedging transactions can only serve to protect the fund assets or stock prices to a limited extent, it is not impossible for changes in stock prices to have an adverse impact on the development of the fund assets.



**Currency risks**

When investing in foreign currencies or entering into transactions in such currencies there are risks and opportunities for changes in the exchange rates. It must also be considered that such investments in foreign currencies are exposed to what is referred to as "transfer risk".

**Note concerning borrowing by the Fund**

The interest incurred by borrowing will reduce the Fund's performance. However, such charges may enable the Fund's income to be increased by taking up credit.

**Inflation risk**

Inflation risk means the danger of financial losses as a result of the devaluation of currency. Inflation can lead to the reduction of the Fund's earnings and the value of its investments with regard to purchasing power. Individual currencies are subject to varying degrees of inflation risk.

**Risks with contingent convertible bonds**

In contrast to convertible bonds and bonds-cum-warrants, contingent convertible bonds must generally be converted into shares or else the capital must be completely or partially depreciated if the issuer fails to achieve the minimum equity ratio. Contingent convertible bonds are mostly issued by financial intermediaries, which entails specific risks. Investments in contingent convertible bonds may present the following risks inter alia:

*Risk of maturity extension:*

Some contingent convertible bonds are issued as instruments with unlimited duration that can only be terminated at pre-set levels with the consent of the competent authority.

*Capital structure-inversion risk:*

Contrary to classic capital hierarchy, investors in contingent convertible bonds may suffer a loss of capital when investors do not.

*Conversion risk:*

It can be difficult for the portfolio manager and/or the co-portfolio manager of the relevant fund to evaluate how the securities will behave during conversion. In the case of conversion into equity capital, the portfolio manager and/or co-portfolio manager may be forced to sell these new equity holdings, because under the investment strategy of the relevant fund no equity capital is allowed in the portfolio. This forced sale may in turn lead to liquidity problems with these holdings.

*Cancellation of coupon payments:*

With many contingent convertible bonds, coupon payments can be cancelled by the issuers at any time and for arbitrarily long periods.

*Industry concentration risk:*

Investments in contingent convertible bonds may lead to an increased industry concentration risk because this type of security is issued by a limited number of banks.

*Threshold value risks:*

Threshold values are set in different ways; depending on the difference between equity capital and the threshold value, they determine the extent of the conversion risk. It can be difficult for the portfolio manager of the relevant fund to anticipate the event that triggers the conversion of debts into capital.

*Unknown risks:*

The structure of the instrument is innovative and has not yet been tested.

*Valuation and depreciation risks:*

The value of contingent convertible bonds may have to be reduced to the relevant approved markets due to the higher risk of overvaluation of this type of unit class. Therefore, a fund may lose the entire investment or be forced to accept cash or securities with a value below that of the original investment.

*Yield/valuation risk*

The often attractive yields of contingent convertible bonds attract investors, but this can also be regarded as a complexity premium.

### **Risk of financial intermediaries**

The subscription, conversion and redemption of units in the Fund may be made via financial intermediaries (e.g. nominees). These final investors may be unknown to the Fund and the Management Company, so that the investor's right to compensation in the event of errors in the calculation of the net asset value, non-compliance with investment regulations and other errors may be affected and may only be exercised indirectly. However, the Fund and the Management Company shall provide the relevant financial intermediaries with all the information they need in order to be able to compensate their customers who are the final investors of the Fund.

### **Risks associated with real estate investment trusts (REITs)**

The Fund invests in shares of REITs (Real Estate Investment Trusts) which are traded on a regulated market, or in companies that qualify as such, as well as in shares of other listed real estate companies.

Investments in REITs, securities comparable to REITs, or listed property shares may involve very large fluctuations in value. REITs, companies which qualify as REITs, and other stock exchange-listed property companies comprise publicly traded assets which are organised – in particular under foreign law – in the legal form of a trust, or as a corporation, or in a similar way based on the investment policy described in this Issuing Document, and in which the invested funds are combined and primarily invested in commercial property.

These companies may invest in a wide range of properties or they may specialise in a specific type of property, such as office and commercial properties, shopping centres, hotels, residential properties, public buildings etc. When purchasing REITs, companies which are comparable to REITs and shares in real estate companies, account must be taken of risks resulting from the type of company, risks connected with the potential departure of shareholders, and the risks of changes in the framework conditions relating to taxation legislation and social legislation. This applies in particular if the issuers of the investment securities have their registered address abroad. It must also be considered that if shares are acquired in property companies they may be subject to obligations and risks which are difficult to identify.

Finally, if it is intended to sell the securities there may not be sufficient liquidity on the respective stock exchange despite the stock exchange listing. The value of property may fluctuate, for example as a result of the general or local economic conditions, an excessive level of building activity and increased competition, rising land taxes and operating costs, changes to building regulations, losses due to property damage or compulsory purchases, government/local authority restrictions on rent levels, changes in the value of a residential district, changes in the assessment of the attractiveness of properties from the viewpoint of the tenants, and rising interest rates. In addition to changes in the value of the properties on which they are based, the value of REITs and other companies may also be adversely affected by the failure of borrowers, tenants or lessees to fulfil payment obligations.

### **Compliance with the statutory data protection provisions**

The General Data Protection Regulation (GDPR) came into force on 25 May 2018 and it replaces the data protection laws which applied previously within the European Union. The aim of the GDPR is to unify national data protection laws throughout the European Union and simultaneously to modernise the law so as to adapt it to new technological developments. The GDPR is automatically binding on companies which process personal data (data controller or processor) in all EU Member States without national implementation being required. The GDPR has, in particular, a greater extra-territorial scope, and it will have significant effects on any data controller or processor which is domiciled in the European Union and which offers goods or services for data subjects in the European Union or which monitors the behaviour of data subjects within the European Union. The new regulation imposes more onerous operational requirements on data controllers and data processors, and it introduces significant penalties for non-compliance consisting of monetary fines of up to 4% of total annual worldwide turnover or EUR 20 million (whichever amount is greater) depending on the type and seriousness of the breach.

Compliance with the current and future privacy, data protection and information security legislation could have a considerable effect on existing and planned data protection and information security practices. This includes the gathering, use, passing on, storage and protection of personal data as well as some of the current and planned business activities of the Fund and the Management Company. Non-compliance with these laws may lead to monetary fines, sanctions or other penalties which may have a significant adverse

effect on the operating result and the overall business as well as the company's reputation.

### **Inclusion of sustainability risks in the investment process**

As part of the investment process, the relevant financial risks are included in the investment decision and assessed on an ongoing basis. This will also take into account relevant sustainability risks as defined in Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector (hereinafter, "Disclosure Regulation"), which may have a material adverse effect on the return of an investment.

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

As part of the selection of assets for the (sub-)fund, the influence of the risk indicators, including sustainability risks, is assessed alongside the objectives and investment strategies.

The risk quantification assessment process includes aspects of the sustainability risks, and it relates these to other factors (in particular price and expected return) that are considered when making the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment valuation process (price indication) on the basis of the potential material impacts of risks on the return of the (sub-)fund. Nevertheless, depending on the asset and due to external factors, negative impacts on the return of the (sub-)fund may arise.

For more information on how sustainability risks are incorporated into the investment process and the extent to which they may impact returns, please visit Universal-Investment's website.

### **e) Potential conflicts of interest**

The Management Company maintains appropriate and effective organisational and administrative arrangements for taking any appropriate measures to identify, prevent, resolve and monitor conflicts of interest in order to prevent them from harming the Fund and its unitholders.

As well as the Fund portfolio, the Portfolio Manager of the Fund manages, either alone or jointly or with other partners, the capital investments of other companies and investment funds with different and similar investment criteria, and also offers a broad range of services to other companies, funds, capital investments, etc. Various conflicts of interest may occur within this area, particularly with regard to the allocation of investment opportunities to different investment funds that are advised or managed by the Portfolio Manager. It is therefore down to the Portfolio Manager to decide which of the investment funds they manage or advise should be allowed a share in a limited investment opportunity; this Fund does not therefore have any preferential rights.

In addition, the Portfolio Manager may also combine purchases or sales of investments made on behalf of the Fund with purchases or sales that he undertakes for other customers, and in doing so he may average out the purchase/sales prices achieved (block trading with average prices). As a result, the Fund may receive better or worse prices than if the Portfolio Manager had always executed the transactions solely for the Fund in each case.

In respect of potential conflicts of interest in connection with the flat fee of the Fund, the Portfolio Manager also maintains appropriate and effective organisational and administrative arrangements for taking any appropriate measures to identify, prevent, resolve and monitor conflicts of interest in order to prevent them from adversely affecting the interests of the Fund and its unitholders.

## **f) Risk management procedure**

The Management Company has set up a risk management procedure to describe all framework conditions, processes, measures, activities and structures required in order to efficiently and effectively implement and develop the risk management and risk reporting system. In accordance with the Act of 17 December 2010 and the applicable supervisory authority documents from the CSSF (CSSF Circular 11/512 of 30 May 2011 and ESMA Guidelines 10-788 of 28 July 2010), the Management Company shall report regularly to the CSSF on the risk management procedure applied. The CSSF supervisory authority documents set out the code of conduct to be observed by undertakings for collective investment in transferable securities with regard to the application of a risk management procedure and the use of derivative financial instruments. In the CSSF supervisory authority documents, funds subject to Part I of the Law of 17 December 2010 are provided with additional information on the use of a risk management procedure within the meaning of Article 42(1) of the Law of 2010 and on the use of derivative financial instruments within the meaning of Article 41(1)(g) of this law.

The risk management principles set out in the supervisory authority documents must enable, for example, measurement of the market risk (including the overall risk) which is of potential significance for the funds with regard to their investment objectives and strategies, the management styles or methods used to manage the funds and the valuation processes, and which therefore could also have a direct impact on the interests of the investors of the managed funds.

To this end, the Management Company makes use of the following methods as provided for by law:

### *Commitment approach:*

With the commitment approach, the positions from derivative financial instruments are converted into their corresponding underlying instrument equivalents using the Delta approach (for options). Any netting and hedging effects between derivative financial instruments and their underlying instruments are taken into account. The total of these equivalent positions in the underlying instruments must not exceed the total net value of the Fund portfolio.

### *Value-at-Risk (VaR) approach:*

The VaR figure is a mathematical/statistical concept which is used as a standard risk measure in the financial sector. The VaR indicates the level of losses during a specific period (the "holding period") that will not be exceeded with a specific level of probability (the "confidence level").

### *Relative VaR approach:*

In the relative VaR approach, the VaR (99% confidence level, 1-day holding period, 1-year period under consideration) of the Fund may not exceed the VaR of a derivative-free reference asset by more than a specific proportion (the VaR limit ratio). The reference assets are basically an approximate representation of the Fund's investment policy.

### *Absolute VaR approach:*

In the absolute VaR approach, the VaR (99% confidence level, 1-day holding period, 1-year period under consideration) of the Fund may not exceed a specific proportion of the Fund's assets.

### *Leverage:*

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

The point is made that regardless of the maximum limit of market risk prescribed by law which arises from the relative VaR calculation, the leverage effect may be higher because its calculation is based on the total notional values (sum of the notionals) of the derivatives held by the Fund. Any effects from reinvestment arising from collateral are also taken into account. The actual leverage effect is subject to fluctuations on the securities markets over time and may therefore also in the end be greater due to extraordinary market conditions.

Due to the leverage calculation method used in accordance with the total notional values method, the calculated leverage can be considerable and is not necessarily in line with investors' expectations with regard to the direct leverage effect. The expected leverage should therefore not be perceived as a target value, but

rather as the expected value of the leverage applied. Accordingly, the actual leverage may differ from the expected value given. As a consequence, the information on the expected leverage should not be viewed as a form of investment limit which, if exceeded, requires payment of compensation.

#### **g) Flat fee**

In return for managing the Fund, the Management Company receives a flat fee in accordance with the annex to the Sales Prospectus entitled "Fund overview", which may differ for the various unit classes of the Fund. The flat fee includes the following fees and costs, which are not charged separately to the Fund's assets:

- i. fee for managing the Fund's assets;
- ii. fee for the Depositary, including all other costs and expenses incurred by the Depositary in connection with its activities for the Fund's assets;
- iii. fee for the Fund's Portfolio Manager;
- iv. fees for the Fund's Registrar and Transfer Agent, including all other costs and expenses incurred by the Registrar and Transfer Agent in connection with its activities for the Fund's assets.

The flat fee is initially paid out to the Management Company as a single amount from the Fund's assets. The Management Company then uses the flat fee to pay for the services covered by the flat fee.

Potential performance fees and front-end loads for the issue, redemption and exchange of fund units are not included in the flat fee.

The flat fee is calculated on the basis of the average daily net asset value of the unit class and is payable quarterly in arrears.

#### **h) Repayment of collected flat fee to certain investors and commission sharing agreements**

At its sole discretion, the Management Company may agree with individual investors to repay to those investors part of the flat fee it has collected from them.

The Management Company generally passes on some of its flat fee to intermediaries. This is done as remuneration for sales services on the basis of brokered stocks. This may account for a considerable proportion of said fee. The Management Company does not receive any refunds from the remuneration and reimbursement of expenses that is to be paid from the Fund assets to the Depositary and third parties. Non-cash benefits which are offered by brokers and dealers and used by the Management Company in the interests of investors remain unaffected.

#### **i) Issue, redemption, compulsory redemption and exchange of units**

Any natural person or legal entity may acquire units through their purchase and payment of the issue price, subject to Article 7 of the Management Regulations. All units issued have equal rights to the Fund's pooled investments.

The purchase, sale and conversion of units takes place on the basis of this Sales Prospectus and the Management Regulations in the latest applicable version as well as the Key Investor Information Document, and may take place on any valuation day in accordance with the annex ("Fund overview") to the Sales Prospectus.

The Management Company is empowered to issue new fund units on a continuous basis. It does, however, reserve the right to stop issuing fund units, either on a temporary or permanent basis. Payments that have already been made shall be refunded immediately in such event. Once the Management Company resumes issuing units, it shall notify investors of this by means of a communication on its website at [www.universal-investment.com](http://www.universal-investment.com).

The Management Company may at any time at its own discretion issue additional units of the Fund to unitholders via the Depositary free of charge for the purpose of splitting units. When this is done, the unit split for all units issued is made using the same ratio.

Orders to purchase, redeem or convert registered units may be addressed to the Registrar and Transfer Agent, Management Company and any applicable distributors.

Orders to purchase, redeem or convert bearer units – generally securitised in the form of a global note – will be forwarded to the Registrar and Transfer Agent by the investor's securities account holder.

Orders received by noon (Luxembourg time) on a valuation day as defined in the annex ("Fund overview") to the Sales Prospectus shall be settled on the basis of the issue/redemption price on that valuation day. Orders received after noon (Luxembourg time) shall be settled on the basis of the issue/redemption price on the next valuation day.

The issue price is the net asset value per unit in accordance with Article 5 of the Management Regulations for the corresponding valuation day, plus any applicable sales commission and/or front-end load pursuant to the "Fund overview" annex. The issue price is payable within the number of banking days following the valuation day as stipulated in the annex ("Fund overview") to the Sales Prospectus. The issue price is paid in the currency of the Fund or, where there are several unit classes, in the relevant unit class currency. If a country's laws prescribe lower levels of sales commission, the banks involved in that country may sell units at a lower sales commission, but this must not fall below the maximum permitted sales commission that applies there. If savings plans are offered, sales commission shall be charged only on payments actually made. The issue price increases to include payments or other charges incurred in various countries in which units are sold. If distributions pursuant to Article 12 of the Management Regulations are immediately reinvested in units, a reinvestment discount set by the Management Company may be granted.

The units are issued without delay by the Registrar and Transfer Agent on behalf of the Management Company following the receipt of the issue price by the Depositary. In this respect the Management Company may issue fractions of up to 0.001 of a unit. Investors are informed that units held by Clearstream or FundSettle/Euroclear are registered in the name of the respective Depositary (Clearstream or FundSettle/Euroclear). Please note that Clearstream offers the option of issuing fractions of units, whereas FundSettle/Euroclear does not.

There is no right to receive physical certificates.

The acquisition or holding of units is prohibited, in particular for investors who are natural persons, partnerships or legal entities who directly or indirectly violate applicable AML/CTF regulations, are listed on the sanctions lists of the European Union, the United Nations (UN) and the Office of Foreign Assets Control ("OFAC"), or are resident in countries classified as high-risk countries ("blacklist") by the Financial Action Task Force ("FATF"). In these cases, the Management Company is obliged and authorised to buy back the units of these investors (including those investors who were already sanctioned prior to the introduction of this clause) at the current redemption price immediately upon knowledge of the sanction.

The redemption price is the net asset value per unit calculated in accordance with Article 5 of the Management Regulations, where appropriate less a redemption fee in accordance with the annex entitled "Fund overview", which is charged in favour of the Fund. The redemption fee is applied uniformly to every redemption of units. Payment of the redemption price is made in accordance with the annex entitled "Fund overview" or Sales Prospectus within the number of banking days defined therein after the corresponding valuation day. The redemption price is paid in the currency of the Fund or, where there are several unit classes, in the relevant unit class currency. In the case of redeeming registered units, payment is made to the reference account specified by the investor.

In compliance with CSSF Circular 04/146, the Management Company prohibits all practices associated with market timing/late trading. The Management Company is entitled to reject applications for subscription, redemption and/or conversion from an investor if it suspects that the investor is applying such practices. In this case the Management Company reserves the right to take all necessary measures in order to protect the remaining investors.

Information on the issue and the redemption prices is available from the registered offices of the Management Company, Depositary and Paying Agents of the Fund, and is published in accordance with the legal provisions of each country in which the units are authorised for public distribution, as well as on the Management Company's website ([www.universal-investment.com](http://www.universal-investment.com)).

Conversion of units from one unit class into units of a different unit class is possible subject to the modalities specified in the annex ("Fund overview") to the Sales Prospectus.

In addition, the Management Company or an authorised representative must register the Fund's ultimate beneficial owners in the Luxembourg register of beneficial owners in accordance with the provisions of the Luxembourg Law of 13 January 2019 on the register of beneficial owners (registre des bénéficiaires effectifs) ("RBE Law"). As a result, certain beneficial owners who satisfy the conditions of the RBE Law are entered in this register, which is also available to the public. The Management Company or its authorised representative will contact the beneficial owners concerned prior to their registration in the register.

#### **j) Annual and semi-annual reports**

After the close of each accounting year, the Management Company shall prepare an audited annual report for the Fund. This annual report shall provide information on the fund assets, its management and financial results. After the close of the first half of the accounting year, the Management Company shall prepare a semi-annual report for the Fund, which shall provide information on the fund assets and its administration during the corresponding half year. These reports are available free of charge to unitholders from the registered office of the Management Company, Depositary and any Paying Agent.

#### **k) Use of earnings**

The net income of the Fund resulting from dividends, interest and capital gains, as well as proceeds from the sale of subscription rights and other non-recurring income, can be capitalised and reinvested in the Fund or distributed to the unitholders. The Management Company will make a decision on this. Information about the use of income of the Fund and its unit classes decided on by the Management Company can be found in the annex ("Fund overview") to the Sales Prospectus.

It is also at the Management Company's discretion whether to distribute capital gains, as well as proceeds from the sale of subscription rights and other income for the Fund in whole or in part.

The associated income equalisation is taken into account.

An income distribution may not exceed the minimum volume of a Fund as prescribed pursuant to the Law of 2010.

#### **l) Taxation of fund assets and income**

The Fund is not subject to any taxes in the Grand Duchy of Luxembourg apart from the "taxe d'abonnement" pursuant to Articles 174 to 176 of the Law of 2010. However, income and profits of the Fund may be subject to withholding tax and other such taxes in countries in which the assets of the Fund are invested. Neither the Management Company nor the Depositary will obtain individual or collective receipts for such taxes.

As a matter of principle, the Fund is subject to a "taxe d'abonnement" amounting to 0.05% p.a., payable quarterly on a pro rata basis on the net assets reported at the end of each quarter. The "taxe d'abonnement" rate falls to 0.01% p.a. if the investment in sub-funds or unit classes is restricted to "institutional investors". An exemption from the "taxe d'abonnement" applies to the value of the units held by the Company in other UCIs insofar as they have already been subject to the "taxe d'abonnement".

The Fund's dividend distributions are not subject to any Luxembourg withholding tax and are not taxed in Luxembourg in the case of shareholders who do not have their tax domicile in Luxembourg.

Purchasers of fund units are recommended to obtain advice on the laws and regulations (e.g. those concerning the tax system and foreign exchange controls) applicable to the purchase, holding and sale of units as well as the receipt of income in their place of origin, permanent or temporary residence.

## m) Data protection

### Privacy statement

Specific personal data relating to the investors (in particular the name and address of each investor and the amount invested by them) may be gathered and/or processed and used by the Management Company.

The Fund and the Management Company must safeguard the privacy and integrity of the investors with regard to any personal data which is contained in a document provided by the investor as well as any other personal data which is gathered in the course of the relationship with the Fund. The Fund and the Management Company process personal data in accordance with the applicable data protection laws, including but not limited to Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "GDPR").

The investor confirms that he has read and understood the Fund's privacy statement which is available at <https://www.universal-investment.com/de/datenschutz-anleger-ubos>. This data protection declaration may be amended from time to time, and the current version of it is available via the aforementioned link.

## n) Prevention of money laundering

In accordance with the current version of the Luxembourg Law of 12 November 2004 on the fight against money laundering and the financing of terrorism, the Luxembourg Law of 13 February 2018 (partially) implementing Directive (EU) 2015/849 of 20 May 2015 on the prevention of money laundering, the Grand-Ducal Regulation of 1 February 2010, Regulation 12-02 of 14 December 2012 and the relevant circulars and regulations of the CSSF, traders according to Article 2 of the Law of 2004 and all the people and companies working in the financial sector are subject to obligations to fight money laundering and the financing of terrorism in order to prevent the use of undertakings for collective investment for money laundering purposes. This also includes the obligation to identify and verify the identity of investors and investments. **Investors' depositary institutions are required to implement identification and identity verification processes.**

In accordance with these provisions, these identification processes are implemented and, if necessary, detailed verification is carried out by the Management Company or the Registrar and Transfer Agent of the Fund.

Investors must enclose with the subscription documents the legally stipulated documents proving the investors' identity. These documents vary depending on the type or corporate form of the investor. The identification and identity verification obligation is incumbent upon the investors' depositary institutions.

The Fund and the Registrar and Transfer Agent retain the right to demand appropriate (additional) information which is required in order to verify the identity of an applicant. In the event of a delay or a failure by the applicant to provide the information required for verification purposes, the Management Company or the Registrar and Transfer Agent can refuse the application, and it is not liable for any interest, costs or compensation.

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

The recording of information which is to be provided in this connection together with the investment in the Fund is undertaken exclusively in order to comply with the provisions concerning the prevention of money laundering. All the documents retained in this connection are retained for five years after the ending of the business relationship.

In relation to the undertaking of investments and divestments by the Company, in accordance with and as required by applicable law, the Management Company will exercise sufficient due diligence with regard to the Fund's assets. The Management Company shall also implement increased due diligence obligations in



accordance with Article 3 of CSSF Regulation 12-02 if units are subscribed to through an intermediary which acts on behalf of its customers. This is done for the purpose of fulfilling all KYC obligations and obligations to combat money laundering and terrorist financing in accordance with the applicable provisions of the AML/CFT law so that the statutory provisions and regulations applicable to the Fund and the Management Company are fulfilled.

#### **o) Governing law and contract language**

The Fund is subject to the law of the Grand Duchy of Luxembourg. The same applies to the legal relationship between the investors and the Management Company.

The German versions of the Sales Prospectus, Management Regulations and other documents and publications are binding.

#### **p) Investor information**

Investors may submit complaints free of charge. Complaints may be sent by post or e-mail to the Management Company. Investors will find free information on the processing of complaints on the Management Company's website ([www.universal-investment.com](http://www.universal-investment.com)).

Information on contributions that the Management Company receives from third parties or pays to third parties, as well as the method for calculating these contributions, may be found free of charge on [www.universal-investment.com](http://www.universal-investment.com). Upon request of the investor, further details on contributions may be given.

Investors may find a brief description of the strategies regarding the use of voting rights by the Management Company free of charge on the website [www.universal-investment.com](http://www.universal-investment.com).

In addition, the Best Execution Principles may also be found on the website [www.universal-investment.com](http://www.universal-investment.com).

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

The Management Company shall inform investors of the fact that an investor may only assert investor rights in their entirety directly against the UCITS if the investor has been entered into the investment register of the UCITS in his own name. In cases where an investor has invested in a UCI or UCITS via an intermediary agent, which makes the investment in its own name but on behalf of the investor, the investor may not necessarily be able to assert all the investor rights directly against the UCI or UCITS. Investors are advised to be aware of their rights.

## Annex

### Fund overview

<b>Fund name</b>	<b>Berenberg European Small Cap</b>
<b>Fund currency</b>	EUR
<b>Investment objective</b>	<p>The objective of the investment policy of the Berenberg European Small Cap is to generate the highest possible capital growth while having due regard to the level of investment risk as well as the social and environmental investment criteria.</p> <p>The Fund is managed with reference to the benchmark index MSCI Europe Small Cap Index. The benchmark index is also used to calculate the performance fee for unit classes R A, B A and R CF A. The Fund does not aim to track the benchmark index; the benchmark merely serves as a starting point for investment decisions. The Fund's composition and its performance may deviate substantially to completely and over the long term – positively or negatively – from the benchmark index.</p> <p><b>No assurance can be given that the objectives of the investment policy will be achieved.</b></p>
<b>Investment strategy</b>	<p>At least 51% of fund assets shall be invested in small-cap shares of European issuers. European issuers are those whose registered offices, main stock exchange or business operations are in Europe, i.e. the country of risk is Europe. Investments are mainly made in the smaller and medium high-growth stocks ("small caps") with a market capitalisation of up to EUR 5 billion. The Fund endeavours to outperform its benchmark, the MSCI Europe Small Cap Index.</p> <p>The Fund is actively managed.</p> <p>In order to guarantee this investment strategy, the Management Company reserves the right to temporarily suspend the issue of unit certificates if the fund volume reaches a significant level.</p> <p>The investment decisions for the Fund take into account a variety of environmental and social characteristics, including, for example:</p> <p>Environment</p> <ul style="list-style-type: none"> <li>- Climate change</li> <li>- Pollution</li> <li>- Forest clearing</li> <li>- Environmentally friendly technologies</li> <li>- Greenhouse gas emissions</li> </ul> <p>Social</p> <ul style="list-style-type: none"> <li>- Working conditions</li> <li>- Health and safety</li> <li>- Fair trade products</li> <li>- Employee relations and diversity</li> <li>- Local communities</li> </ul> <p>Corporate governance</p> <ul style="list-style-type: none"> <li>- Bribery and corruption</li> <li>- Compensation structure</li> <li>- Structure of the supervisory bodies</li> <li>- Cybersecurity</li> <li>- Unfair commercial practices</li> </ul>

	<p>This Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation. However, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities, nor are sustainable investments targeted within the meaning of Art. 2(17) of the Disclosure Regulation.</p> <p>The principal adverse impacts (PAIs) on sustainability factors are not taken into account in the investment process at the level of the Management Company because the Management Company does not pursue a general cross-fund strategy for the consideration of PAIs. Even if no PAIs are taken into account at the level of the Management Company, impacts on sustainability factors are part of the Fund's investment strategy and do therefore have to be taken into account.</p> <p><b>Further pre-contractual disclosure on environmental and/or social characteristics is provided in the Annex "Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852".</b></p>
<b>Investment principles</b>	<p>At least 51% of the Fund's assets are invested in shares and securities with equity-like characteristics.</p> <p>In accordance with Article 41(1)(e) of the Law of 17 December 2010, a maximum of 10% of the Fund's net assets may be invested in target funds (UCITS and other UCIs).</p> <p>The Fund invests a maximum of 10% of the net sub-fund assets in bonds and securities with bond characteristics.</p> <p>A maximum of 10% of the Fund's net assets may be invested in subordinate bonds (solely in contingent convertible bonds).</p> <p>A maximum of 5% of the sub-fund's net assets may be invested in closed-ended real estate investment trusts (REITs), provided these qualify as eligible securities.</p> <p>Financial derivative instruments (FDI) traded on a regulated market or over-the-counter (OTC) may be used for investment and hedging purposes.</p> <p>Financial derivative instruments (FDIs) include futures, FX forwards and options. Other FDIs are not used.</p> <p>A maximum of 10% of the Fund's net assets may be invested in 1:1 certificates on shares and indices. 1:1 certificates are exchange-traded investment instruments which are classified as securities under Article 41(1)(a)–(d) of the Law of 2010 and which do contain any embedded derivatives.</p> <p>Investments in certificates with embedded derivatives are not made.</p> <p>In addition, the Fund may hold sight and time deposits with banks. The Fund may hold up to 20% of liquid funds. The 20% limit may be temporarily exceeded for an absolutely necessary period of time if circumstances require this due to exceptionally unfavourable market conditions and if such a violation is justified taking into account the interests of the investors. In addition, the Fund may also invest in money market instruments, such as longer-term time deposits or money market funds, for financial purposes or in the event of unfavourable market conditions. These, including sight deposits, are limited to a maximum of 49%.</p> <p><b>Note:</b> Of the possible techniques for efficient portfolio management, the Fund currently only uses derivative transactions, which can be concluded in any form. At present, the Fund does not currently use any securities financing transactions or total return swaps in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012. If the Management Company intends to use other techniques for efficient portfolio management or securities financing transactions for the Fund, this Sales Prospectus shall be amended accordingly.</p> <p>No direct investments are made in asset-backed securities (ABS) and mortgage-backed securities (MBS).</p> <p>In addition, the following applies for German taxation purposes:</p> <p>The Fund or the sub-fund continuously invests more than 50% of its assets directly, or indirectly via other investment funds within the meaning of Section 1(2) of the Investment Tax Act (InvStG), in equity investments (equity funds – equity investment ratio). Equity investments in this sense are:</p>

	<ul style="list-style-type: none"> <li>Units in corporations admitted for official trading on a stock exchange or another organised market or included in such a market, provided they are not units in investment funds. For these purposes, an organised market is a market which is recognised, open to the public and operates regularly and therefore complies with the requirements of Article 50 of the UCITS Directive (Directive 2009/65/EC);</li> <li>Units in other investment funds which, in accordance with their investment conditions, specify a continuous minimum investment of 25% or a higher percentage in equity investments within the meaning of Section 2(8) of the InvStG, in the amount of the percentage that is specified for this minimum investment.</li> </ul> <p>The amount of the assets is determined by the value of the assets of the investment fund within the meaning of Section 1(2) InvStG without taking its liabilities into account. In the case of indirect investment in equity investments via other investment funds, the fund assets or sub-fund assets shall base compliance with its equity fund equity investment ratio on the actual equity investment ratios published by these investment funds on each valuation day. An indirect investment in equity securities through other investment funds requires that those investment funds carry out a valuation at least once a week.</p>
<b>Benchmark</b>	<p>MSCI Europe Small Cap Index</p> <p>Information on the methodology used to calculate the benchmark index can be found on the Internet at <a href="http://www.msci.com">www.msci.com</a>.</p> <p>The benchmark is administered by MSCI Limited ("administrator").</p> <p>The Management Company has drawn up robust written plans outlining actions it would take if the benchmark were to change significantly or cease to exist. A copy of the contingency plan is available free of charge at the registered office of Universal-Investment-Luxembourg S.A.</p>
<b>Investor profile</b>	<p>The Fund is designed for investors who are able to assess the risks and the value of the investment. The investor must be prepared and able to deal with significant fluctuations in the value of the units, and potentially a considerable capital loss. In some cases, the Fund may not be suitable for investors who wish to withdraw their money from the Fund within a period of less than five years.</p>
<b>Management Company</b>	Universal-Investment-Luxembourg S.A.
<b>Depositary</b>	BNP Paribas – Luxembourg Branch
<b>Registrar and Transfer Agent</b>	BNP Paribas – Luxembourg Branch
<b>Paying Agent in Luxembourg</b>	BNP Paribas – Luxembourg Branch
<b>Portfolio Manager</b>	Joh. Berenberg, Gossler & Co. KG, Hamburg
<b>Collateral Manager</b>	Universal-Investment Gesellschaft mbH
<b>Valuation day pursuant to Article 5 of the Management Regulations</b>	<p>The Fund is subject to daily valuations. Valuation days are full banking days in Luxembourg and Frankfurt am Main, except 24 and 31 December. Where a valuation day coincides with a public holiday in Luxembourg or Frankfurt am Main, or if it is a day on which no valuations take place (24 and 31 December), the next following banking day shall be treated as the valuation day.</p>
<b>Payment of the issue and redemption price</b>	Two banking days after the relevant valuation day.
<b>Cut-off time for subscription/redemption</b>	12:00 noon (Luxembourg time)
<b>Financial year:</b>	1 January to 31 December
<b>Fund term</b>	Indefinite
<b>Flat fee</b>	Up to 1.85% p.a.
<b>Performance fee for unit classes R A, B A and R CF A</b>	<p>The Portfolio Manager may also be paid a performance fee for each of these unit classes. This fee amounts to 20% (participation) of the value by which the unit value performance exceeds the performance of the benchmark at the end of the settlement period (outperformance of the benchmark) multiplied by the average of all net asset values in the settlement period. The Portfolio Manager is free to apply a lower fee for the Fund or the unit class.</p>

If the unit value performance falls below the performance of the benchmark at the end of a settlement period (negative benchmark deviation), the Portfolio Manager does not receive a performance fee. The negative amount is calculated for each unit value in accordance with the calculation of the positive benchmark deviation and carried forward to the next settlement period. The Portfolio Manager only receives a performance fee for the subsequent settlement period if the amount calculated from the positive benchmark deviation exceeds the negative amount brought forward from the previous settlement period at the end of the settlement period. There is an entitlement to a fee in this case from the difference between the two amounts. A remaining negative amount per unit value will be carried forward again into the new settlement period. If there is another negative benchmark deviation at the end of the next settlement period, the existing negative amount brought forward will be increased by the amount calculated from this negative benchmark deviation. Negative amounts brought forward from the previous five settlement periods will be taken into account when calculating the entitlement to a fee.

The accounting period is annual. The accounting period begins on 1 January and ends on 31 December of each calendar year. The first accounting period begins on 1 April 2022 and ends on 31 December 2023.

The following index is stipulated as the benchmark: MSCI Europe Small Cap Index [Bloomberg ticker NCEDE15]. The performance fee is calculated during the accounting period by comparing the performance of the benchmark with the unit value performance which is calculated according to the BVI method. The amount of the performance fee is determined net of all costs. The costs charged to the Fund must not be deducted from the performance of the benchmark before the comparison.

A performance fee incurred by the Fund is set aside in accordance with the result of a daily comparison. If the unit value performance during the accounting period is below the benchmark, then any performance fee already set aside during the relevant accounting period will be refunded in accordance with the daily comparison. The current performance fee retained at the end of the accounting period can be withdrawn.

If the benchmark ceases to exist, the Company will stipulate another appropriate index which will replace the aforementioned index.

**The performance fee can also be withdrawn if the unit value at the end of the settlement period falls below the unit value at the beginning of the settlement period (absolute negative unit value performance).**

**Formel und Beispiele zur Berechnung der Performance Fee Berenberg European Small Cap:**

$$\begin{aligned} \text{PERF\_FEE } t &= \text{PART} * \text{MAX}(\text{PERF}_{\text{FONDS } t} - \text{PERF}_{\text{BENCHM } t}; 0) * \text{NAV}_{\text{DURCH } t} \\ \text{Verlustvortrag } t &= \text{MIN}(\text{PERF}_{\text{FONDS } t} - \text{PERF}_{\text{BENCHM } t}; 0) \\ \text{PERF\_FEE } t+1 &= \text{PART} * \text{MAX}(\text{PERF}_{\text{FONDS } t+1} + \text{Verlustvortrag } t - \text{PERF}_{\text{BENCHM } t+1}; 0) * \text{NAV}_{\text{DURCH } t+1} \\ \text{Verlustvortrag } t+1 &= \text{MIN}(\text{PERF}_{\text{FONDS } t+1} + \text{Verlustvortrag } t - \text{PERF}_{\text{BENCHM } t+1}; 0) \end{aligned}$$

Wobei:

- PERF\_FEE: Performance Fee in der Währung der jeweiligen Anteilklasse am Ende der Periode t, t+1 usw.
- PART: Partizipation
- PERF\_FONDS: Performance des Fonds in der Periode t bzw. t+1
- PERF\_BENCH: Performance der Benchmark in der Periode t bzw. t+1
- NAV\_DURCH: durchschnittlicher Nettoinventarwert der Anteilklasse in der Periode t bzw. t+1
- Verlustvortrag: Verlustvorträge aus Perioden t, t+1 usw.

**Begriffserklärung und Berechnungsbeispiele:**

- Performance des Fonds: Die Wertentwicklung des Fonds wird immer über eine Jahresperiode betrachtet (Abrechnungsperiode). Die Abrechnungsperiode beginnt am 1. Januar und endet am 31. Dezember eines jeden Kalenderjahres. Die erste Abrechnungsperiode beginnt zum 01.04.2022 und endet am 31.12.2023.
- Performance der Benchmark: Wertentwicklung der Benchmark im Betrachtungszeitraum.
- Outperformance: Differenz der Wertentwicklung des Fonds und der Benchmark.
- Fondsvermögen: Tägliches durchschnittliches Fondsvermögen im Betrachtungszeitraum.
- Partizipation: Prozentsatz, wieviel der positiven Outperformance als erfolgsabhängige Vergütung dem Fonds entnommen werden darf.
- Performance Fee (absolut): Betrag der erfolgsabhängigen Vergütung, der dem Fonds im Betrachtungszeitraum als Kosten belastet wird.
- Performance Fee (relativ): Performance Fee (absolut) im Verhältnis zum durchschnittlichen Fondsvermögen.
- Verlustvortrag: Ist die Outperformance im Betrachtungszeitraum negativ, so wird diese Underperformance (gegenüber der Benchmark) als Verlustvortrag in den nächsten Betrachtungszeitraum vorgetragen. D.h. diese Underperformance muss erst aufgeholt werden, bevor wieder eine Performance Fee entnommen werden darf.

	<table><tr><th></th><th>Performance des Fonds</th><th>Performance der Benchmark</th><th>Outperformance</th><th>Fondsvermögen</th><th>Partizipation</th><th>Performance Fee (absolut)</th><th>Performance Fee (relativ)</th><th>Verlustvortrag</th></tr><tr><th></th><th></th><th>Wertentwicklung des MSCI Europe Small Cap Index</th><th>Performance Fonds minus Performance Benchmark plus Verlustvortrag (Vorjahr)</th><th></th><th></th><th>positive Outperformance mal Fondsvermögen mal Partizipation</th><th>Performance Fee (absolut) durch Fondsvermögen</th><th>Negative Outperformance</th></tr><tr><td>1.Jahr</td><td>8,00%</td><td>6,00%</td><td>2,00%</td><td>25,0 Mio. EUR</td><td>20%</td><td>100.000 EUR</td><td>0,40%</td><td>0%</td></tr><tr><td>2.Jahr</td><td>5,00%</td><td>8,50%</td><td>-3,50%</td><td>24,5 Mio. EUR</td><td>20%</td><td>0 EUR</td><td>0%</td><td>-3,50%</td></tr><tr><td>3.Jahr</td><td>-3,00%</td><td>-5,00%</td><td>-1,50%</td><td>26,0 Mio. EUR</td><td>20%</td><td>0 EUR</td><td>0%</td><td>-1,50%</td></tr><tr><td>4.Jahr</td><td>12,00%</td><td>8,00%</td><td>2,50%</td><td>28,5 Mio. EUR</td><td>20%</td><td>142.500 EUR</td><td>0,50%</td><td>0%</td></tr><tr><td>5.Jahr</td><td>-2,00%</td><td>-3,50%</td><td>1,50%</td><td>28,0 Mio. EUR</td><td>20%</td><td>84.000 EUR</td><td>0,30%</td><td>0%</td></tr></table>		Performance des Fonds	Performance der Benchmark	Outperformance	Fondsvermögen	Partizipation	Performance Fee (absolut)	Performance Fee (relativ)	Verlustvortrag			Wertentwicklung des MSCI Europe Small Cap Index	Performance Fonds minus Performance Benchmark plus Verlustvortrag (Vorjahr)			positive Outperformance mal Fondsvermögen mal Partizipation	Performance Fee (absolut) durch Fondsvermögen	Negative Outperformance	1.Jahr	8,00%	6,00%	2,00%	25,0 Mio. EUR	20%	100.000 EUR	0,40%	0%	2.Jahr	5,00%	8,50%	-3,50%	24,5 Mio. EUR	20%	0 EUR	0%	-3,50%	3.Jahr	-3,00%	-5,00%	-1,50%	26,0 Mio. EUR	20%	0 EUR	0%	-1,50%	4.Jahr	12,00%	8,00%	2,50%	28,5 Mio. EUR	20%	142.500 EUR	0,50%	0%	5.Jahr	-2,00%	-3,50%	1,50%	28,0 Mio. EUR	20%	84.000 EUR	0,30%	0%
	Performance des Fonds	Performance der Benchmark	Outperformance	Fondsvermögen	Partizipation	Performance Fee (absolut)	Performance Fee (relativ)	Verlustvortrag																																																								
		Wertentwicklung des MSCI Europe Small Cap Index	Performance Fonds minus Performance Benchmark plus Verlustvortrag (Vorjahr)			positive Outperformance mal Fondsvermögen mal Partizipation	Performance Fee (absolut) durch Fondsvermögen	Negative Outperformance																																																								
1.Jahr	8,00%	6,00%	2,00%	25,0 Mio. EUR	20%	100.000 EUR	0,40%	0%																																																								
2.Jahr	5,00%	8,50%	-3,50%	24,5 Mio. EUR	20%	0 EUR	0%	-3,50%																																																								
3.Jahr	-3,00%	-5,00%	-1,50%	26,0 Mio. EUR	20%	0 EUR	0%	-1,50%																																																								
4.Jahr	12,00%	8,00%	2,50%	28,5 Mio. EUR	20%	142.500 EUR	0,50%	0%																																																								
5.Jahr	-2,00%	-3,50%	1,50%	28,0 Mio. EUR	20%	84.000 EUR	0,30%	0%																																																								
Collateral Manager fee	None																																																															
Currency risks on redemption or conversion of units	There is, as applicable, a currency risk for investors who invest in a different currency insofar as no unit class hedging is performed. For more details, please refer to the information on the respective unit classes.																																																															
Risk management procedure	Relative VaR approach																																																															
Derivative-free benchmark	100% MSCI Europe Small Cap Net TR EUR (Bloomberg: NCEDE15 INDEX)																																																															
Expected leverage	The sub-fund's level of leverage, calculated as the “total of the notional values” of the derivative financial instruments used, is expected to be 25% under normal market conditions, although lower and higher values are possible.																																																															
Countries in which units are offered for sale	Luxembourg, Netherlands, Germany, Austria, Switzerland, Italy, Liechtenstein, Finland, Norway, Denmark, France, United Kingdom, Ireland, Sweden, Spain																																																															
FATCA classification	According to the current Luxembourg FATCA provisions, the Fund qualifies as a “restricted fund” pursuant to Annex II, Section IV(E)(5) of the Luxembourg-USA IGA, and it is therefore deemed to be a “non-reporting Luxembourg financial institution” as well as a “deemed-compliant foreign financial institution” under FATCA. As a result, the following types of investor are not permitted and therefore cannot invest in the Fund:  <ul style="list-style-type: none"><li>- Specified U.S. persons pursuant to Article 1, Section 1 (et seq.) of the Luxembourg-USA IGA,</li><li>- Non-participating Financial Institutions pursuant to Article 1, Section 1(r) of the Luxembourg-US IGA, and</li><li>- Passive Non-Financial Foreign Entities (NFFEs) with one or more substantial U.S. owners within the meaning of the relevant implementing regulations issued by Department of the Treasury of the United States of America.</li></ul>																																																															
CRS classification	Luxembourg Financial Institution (Investment Entity)																																																															
Classification according to the Disclosure Regulation	The Fund is classified as an Article 8 Fund for the purposes of the Disclosure Regulation.																																																															
Explanation of the following unit class designations																																																																
The letters in the unit class designations have the following meaning:																																																																
A = Accumulation. The income is reinvested.																																																																
D = Distribution. The earnings are distributed.																																																																
I = Institutional. This unit class is reserved for institutional investors.																																																																
M = Minimum investment. A minimum investment amount is specified for these unit classes.																																																																
W = Wholesale. This unit class is reserved for institutional investors, but provides for a lower minimum initial investment number compared to unit class “I”.																																																																
EUR, GBP, USD, DKK, SEK, NOK, CHF = designation of the unit class currency.																																																																
B = Berenberg. This unit class is exclusively available to investors for whom Joh. Berenberg, Gossler & Co. KG provides the financial service of financial portfolio management (asset management) for the duration of this financial service.																																																																
CF = Clean Fee. No trailer fees are paid for this unit class.																																																																
H = Hedging. Unit class hedging is implemented for this unit class.																																																																

R = Retail. This unit class is accessible to private investors without a minimum investment amount.

If unit classes are designated by several letters, the respective features are combined for this unit class.

	Unit classes				
Unit class	Berenberg European Small Cap R A	Berenberg European Small Cap R CF A****	Berenberg European Small Cap M A	Berenberg European Small Cap B A*	Berenberg European Small Cap I A**
Securities ID No.	A2DVQD	A3DHL6	A2DVQE	A2DVQF	A2PEYD
ISIN code	LU1637619120	LU2459037235	LU1637619393	LU1637619476	LU1959967503
Initial issue price (excluding front-end load)	EUR 100	EUR 100	EUR 100	EUR 100	EUR 100
Unit classes hedging (against EUR)	No	No	No	No	No
Minimum investment amount***	None	None	EUR 500,000	None	EUR 10,000,000
Minimum follow-up investment amount	None	None	None	None	None
Savings plan	Information may be obtained from your portfolio manager				
Types of unit issued	The units are only issued as bearer units.				
Current front-end load	Up to 5%	None	None	None	None
Current redemption fee	None	None	None	None	None
Launch date / activation date and place of launch	2 October 2017 in the Grand Duchy of Luxembourg	1 April 2022 in the Grand Duchy of Luxembourg	2 October 2017 in the Grand Duchy of Luxembourg	2 October 2017 in the Grand Duchy of Luxembourg	2 July 2020 in the Grand Duchy of Luxembourg
Use of income	Accumulating	Accumulating	Accumulating	Accumulating	Accumulating
Taxe d'abonnement	0.05% p.a.	0.05% p.a.	0.05% p.a.	0.05% p.a.	0.01% p.a.

\* The unit class Berenberg European Small Cap B A is exclusively available to investors for whom Joh. Berenberg, Gossler & Co. KG provides the financial service of financial portfolio management (asset management) throughout the period when that service is provided, and it may exclusively be subscribed to and/or exchanged by such persons.

\*\* Unit class Berenberg European Small Cap I A is reserved for institutional investors under Luxembourg law, and it may be subscribed to solely by such persons. The Management Company reserves the right to demand that investors who wish to invest or have invested in unit class Berenberg European Small Cap I A provide evidence that they are institutional investors.

\*\*\* The Management Company may permit lower minimum investment amounts at its own discretion.

\*\*\*\* The unit class Berenberg European Small Cap R CF A is a clean fee unit class for which no trailer fees are paid.

Unit classes				
Unit class	Berenberg European Small Cap W D**	Berenberg European Small Cap M GBP A	Berenberg European Small Cap W GBP A**	Berenberg European Small Cap W GBP D**
Securities ID No.	A3CRYP	A3CRYQ	A3CSTU	A3CRYR
ISIN code	LU2352291889	LU2352291962	LU2352292002	LU2352292184
Currency	EUR	GBP	GBP	GBP
Initial issue price (excluding front-end load)	EUR 100	GBP 100	GBP 100	GBP 100
Unit classes hedging (against EUR)	N/A	No	No	No
Minimum initial investment***	EUR 4,000,000	GBP 500,000	GBP 4,000,000	GBP 4,000,000
Minimum subsequent investment	None	None	None	None
Savings plan	Information may be obtained from your portfolio manager			
Types of unit issued	The units are only issued as bearer units.			
Current front-end load applicable	None	Up to 5%	None	None
Current redemption fee	None	None	None	None
Launch date / activation date and place of launch	TBD	TBD	TBD	TBD
Use of income	Distributing	Accumulating	Accumulating	Distributing
Taxe d'abonnement	0.01% p.a.	0.05% p.a.	0.01% p.a.	0.01% p.a.
Sales follow-up commission****	None	None	None	None

\*\* The unit classes Berenberg European Small Cap W D, W GBP A and W GBP D are reserved for institutional investors under Luxembourg law and may only be subscribed to by such investors. The Management Company reserves the right to demand that investors who wish to invest or have invested in unit classes Berenberg European Small Cap W D, W GBP A and W GBP D provide evidence that they are institutional investors.

\*\*\* The Management Company may permit lower minimum investment amounts at its own discretion.

\*\*\*\* For these unit classes, there is no repayment of flat fees received to certain investors.



Unit classes				
Unit class	Berenberg European Small Cap W USD A**	Berenberg European Small Cap W DKK A**	Berenberg European Small Cap W SEK A**	Berenberg European Small Cap W NOK A**
Securities ID No.	A3CRYS	A3CRYT	A3CRYU	A3CRYV
ISIN code	LU2352292267	LU2352292341	LU2352292424	LU2352292697
Currency	USD	DKK	SEK	NOK
Initial issue price (excluding front-end load)	USD 100	DKK 100	SEK 100	NOK 100
Unit classes hedging (against EUR)	No	No	No	No
Minimum initial investment***	USD 5,000,000	DKK 35,000,000	SEK 45,000,000	NOK 45,000,000
Minimum subsequent investment	None	None	None	None
Savings plan	Information may be obtained from your portfolio manager			
Types of unit issued	The units are only issued as bearer units.			
Current front-end load applicable	None	None	None	None
Current redemption fee	None	None	None	None
Launch date / activation date and place of launch	TBD	TBD	TBD	TBD
Use of income	Accumulating	Accumulating	Accumulating	Accumulating
Taxe d'abonnement	0.01% p.a.	0.01% p.a.	0.01% p.a.	0.01% p.a.
Sales commission****	None	None	None	None

\*\* The unit classes Berenberg European Small Cap W USD A, W DKK A, W SEK A and W NOK A are reserved for institutional investors under Luxembourg law and may only be subscribed to by such investors. The Management Company reserves the right to demand that investors who wish to invest or have invested in unit classes Berenberg European Small Cap W USD A, W DKK A, W SEK A and W NOK A provide evidence that they are institutional investors.

\*\*\* The Management Company may permit lower minimum investment amounts at its own discretion.

\*\*\*\* For these unit classes, there is no repayment of flat fees received to certain investors.

Unit classes					
Unit class	Berenberg European Small Cap M GBP H A	Berenberg European Small Cap W GBP H A**	Berenberg European Small Cap W GBP H D**	Berenberg European Small Cap W USD H A**	Berenberg European Small Cap M CHF H A
Securities ID No.	A3CRYW	A3CRYX	A3CRYY	A3CRYZ	A3CRY0
ISIN code	LU2352292770	LU2352292853	LU2352292937	LU2352293075	LU2352293158
Currency	GBP	GBP	GBP	USD	CHF
Initial issue price (excluding front-end load)	GBP 100	GBP 100	GBP 100	USD 100	CHF 100
Unit classes hedging (against EUR)	Yes, hedge ratio: 95% - 105%	Yes, hedge ratio: 95% - 105%	Yes, hedge ratio: 95% - 105%	Yes, hedge ratio: 95% - 105%	Yes, hedge ratio: 95% - 105%
Minimum initial investment***	GBP 500,000	GBP 4,000,000	GBP 4,000,000	USD 5,000,000	CHF 500,000
Minimum subsequent investment	None	None	None	None	None
Savings plan	Information may be obtained from your portfolio manager				
Types of unit issued	The units are only issued as bearer units.				
Current front-end load applicable	Up to 5%	None	None	None	Up to 5%
Current redemption fee	None	None	None	None	None
Launch date / activation date and place of launch	TBD	TBD	TBD	TBD	TBD
Use of income	Accumulating	Accumulating	Distributing	Accumulating	Accumulating
Taxe d'abonnement	0.05% p.a.	0.01% p.a.	0.01% p.a.	0.01% p.a.	0.05% p.a.
Sales commission	None	None	None	None	None

\*\* The unit classes Berenberg European Small Cap W GBP H A, W GBP H D and W USD H A are reserved for institutional investors under Luxembourg law and may only be subscribed to by such investors. The Management Company reserves the right to demand that investors who wish to invest or have invested in unit classes Berenberg European Small Cap W GBP H A, W GBP H D and W USD H A provide evidence that they are institutional investors.

\*\*\* The Management Company may permit lower minimum investment amounts at its own discretion.

\*\*\*\* For these unit classes, there is no repayment of flat fees received to certain investors.

**Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

## Sustainable investment

means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation

(EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

<b>Product name:</b> Berenberg European Small Cap	<b>Legal entity identifier:</b> 529900AYOPGZO15GBV47
<b>Environmental and/or social characteristics</b>	
<b>Does this financial product have a sustainable investment objective?</b>	
<input checked="" type="radio"/> <input checked="" type="radio"/> <input type="checkbox"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : ____% <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> It <b>promotes environmental/social characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> is: ____%	<input checked="" type="checkbox"/> It promotes environmental/social characteristics, but <b>does not make any sustainable investments.</b>



**What environmental and/or social characteristics are promoted by this financial product?**

This (sub-)fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation.

Environmental and social characteristics are taken into account in the investment decisions, such as climate change considerations and environmental pollution in the field of the environment or labour conditions and health and safety in the social sector. In addition, aspects of corporate governance are given consideration.

**Sustainability indicators**  
measure how the environmental or social characteristics promoted by the financial product are attained.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The (sub-)fund applies activity-based exclusions. Companies with the following activities are excluded:

- Coal (production, downstream activities) > 5% turnover
- Tobacco (production) > 5% turnover
- Unconventional weapons (upstream activities, production, downstream activities) > 0% turnover
- Unconventional oil & gas (production) > 5% turnover
- Power generation from coal (production) > 25% turnover

The (sub-)fund also applies norms-based screening in relation to international frameworks, such as the “UN Global Compact Principles”, “OECD Guidelines for Multinational Enterprises”, “United Nations Guiding Principles on Business and Human Rights” (“UNGP”) and International Labour Organization (“ILO”) Standards.

Investments in third-party funds made to meet the promoted environmental and/or social characteristics are made in third-party funds classified in accordance with Articles 8 or 9 of the EU Disclosure Regulation and rated R, Q, P, U, T or S in the “ESG target market concept” (“Supplementing the target market with information on sustainability-related targets and sustainability factors”).

- ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable

- ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable

- ***How have the indicators of adverse impacts on sustainability factors been taken into account?***

Not applicable

- ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Not applicable

The EU Taxonomy sets out a “do no significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

## Does this financial product consider principal adverse impacts on sustainability factors?

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.



Yes, the following PAIs are taken into account:

- Exposure to companies operating in the fossil fuel sector (share of investments in companies operating in the fossil fuel sector)
- Share of energy generation from non-renewable energy sources (share of the energy generation of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources)
- Activities that have an adverse effect on vulnerable biodiversity areas (share of investments in investee companies with sites/operators in or near vulnerable biodiversity areas, provided that the activities of these companies have a detrimental effect on these areas)
- Emissions in water (tonnes of emissions in water caused by investee companies per EUR million invested, expressed as a weighted average)
- Share of hazardous and radioactive waste (tonnes of hazardous and radioactive waste generated by investee companies per EUR million invested, expressed as a weighted average)
- Violations of the UNGC Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (share of investments in investee companies in breach of the UNGC Principles or the OECD Guidelines for Multinational Enterprises)
- A lack of processes and compliance mechanisms to monitor compliance with the UNGC Principles and OECD Guidelines for Multinational Enterprises (share of investments in investee companies that have not set up guidelines for monitoring compliance with the UNGC Principles and OECD Guidelines for Multinational Enterprises or procedures for handling complaints due to violations of the UNGC Principles and OECD Guidelines for Multinational Enterprises)
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons) (share of investments in investee companies involved in the manufacture or sale of controversial weapons)
- Soil degradation, desertification, soil sealing (share of investments in investee companies whose activities lead to soil degradation, desertification or soil sealing)

The Fund takes into account the adverse impacts on sustainability factors (Principal Adverse Impacts = PAIs) through binding elements of its investment strategy for individual stocks. More specifically, PAIs are taken into account in a binding manner through activity-related exclusions based on corporate proceeds and through norms-related exclusions.

Information on PAIs is available in the (sub-)fund's annual report (annual reports from 01.01.2023).



No







## What investment strategy does this financial product follow?

The investment objective of the Berenberg European Small Cap Fund is to provide long-term capital growth to outperform the benchmark MSCI Europe Small Cap Index over a medium to long-term period. The main driver of this is the above-average earnings growth of the selected companies. The strategy is based on a disciplined bottom-up stock selection of attractive smaller companies (market capitalisation up to 5 billion euros) domiciled in Europe, but whose business is generally global. The decisive criteria are, in particular, end markets with structural growth, high entry barriers and quality management teams.

The investments are in securities that meet the applied ESG exclusion criteria. The ESG exclusion process excludes investments associated with specific products or activities. ESG risks and opportunities are considered in investment decisions and during the holding period, including by:

- monitoring individual stocks in relation to various ESG aspects.
- Regular critical-constructive dialogue with the company's management team.
- Early identification of problems that could raise ethical questions and potential risks, as well as trends and opportunities arising from ESG issues.

The asset allocation information explains what minimum environmental and/or social safeguards are applied to "Other investments".

● **What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social objectives promoted by this financial product?**

The sustainability indicators described above to measure the achievement of the (sub-)fund's environmental and/or social characteristics are the binding elements of the (sub-)fund's investment strategy.

● **What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?**

Not applicable

● **What is the policy to assess good governance practices of the investee companies?**

Good governance practices of the investee companies are evaluated on the basis of the following elements of the investment strategy:

- Application of norms-based ESG exclusion criteria and monitoring ESG controversies with the exclusion of companies directly related to ongoing particularly serious ESG controversies, including governance practices and compliance with international norms such as the "UN Global Compact Principles", "OECD Guidelines for Multinational Enterprises" and "International Labour Organization ("ILO") Standards"
- In addition, portfolio management involves management in providing recommendations to the investment management company for voting at general meetings of portfolio companies and for exposures. Such engagement will be achieved by portfolio management, but not on behalf of the Fund.

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance



## What is the asset allocation planned for this financial product?

### Asset allocation

describes the share of investments in specific assets.

### #1 Aligned with E/S characteristics

includes the investments of the financial product used

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies

The asset allocation of the (sub-)fund and to what extent the (sub-)fund may assume direct or indirect exposures to companies can be found in the investment strategy and the investment restrictions in the Sales Prospectus. The minimum share of investments of the (sub-)fund, which are made to fulfil the promoted environmental and/or social characteristics, is 51% of the value of the (sub-)fund's assets.



## How does the use of derivatives attain the environmental or social characteristics promoted by this financial product?

Derivatives are used in accordance with the provisions of the investment principles of the Sales Prospectus. If derivatives may be acquired, they do not explicitly serve to attain the environmental and/or social characteristics of the (sub-)fund and are included under "Other". When selecting derivatives, an environmental and/or social minimum safeguard is ensured. This means derivatives with a non-sustainable underlying asset may not constitute a significant component of the portfolio.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The environmental characteristics promoted by the Fund are intended, inter alia, to avoid negative impacts on the environmental objectives of the taxonomy, in particular on mitigation of climate change and prevention and reduction of pollution.

The minimum level of sustainable investments with an environmental objective as defined by the EU Taxonomy is 0%.

With regard to conformity to the EU Taxonomy, the criteria for **fossil gas** include limiting emissions and switching to renewable energy or low-carbon fuels by the end of 2035. The criteria for **nuclear energy** include comprehensive safety and waste management regulations.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas

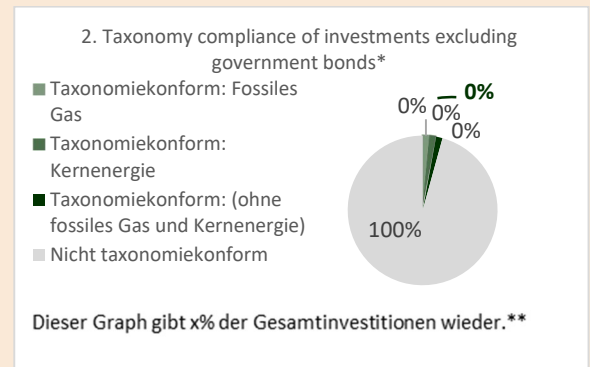
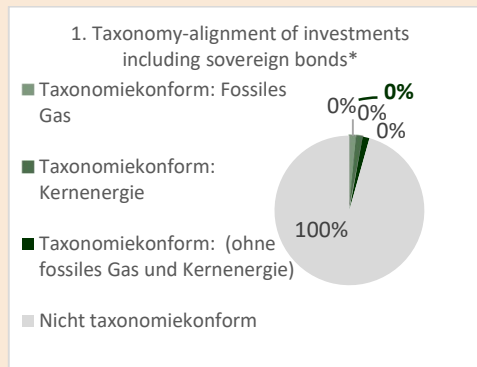
### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?

☐ Yes:

☐ In fossil gas      ☐ In nuclear

☒ No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



\* For the purposes of these graphs, "sovereign bonds" consist of all sovereign exposures.

### What is the minimum share of investments in transitional activities and enabling activities?

A minimum share of investments in transitional activities and enabling activities has

<sup>1</sup> Activities in the field of fossil gas and/or nuclear energy are only aligned with the EU Taxonomy if they contribute to climate change mitigation ("climate protection") and do not significantly affect the objective of the EU Taxonomy. The full criteria for economic activities aligned with the EU Taxonomy in the field of fossil gas and nuclear energy are laid down in Commission Delegated Regulation (EU) 2022/1214.

<sup>\*\*</sup> Since there is no Taxonomy alignment, there is no impact on the graph when sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains at 0%) and the Management Company therefore believes that it is not necessary to mention this information.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU

not been set.



### **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

A minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy has not been set.



### **What is the minimum share of socially sustainable investments?**

A minimum share of socially sustainable investments has not been set.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The “Other Investment” category includes certificates, cash holdings and investments in products used for hedging purposes.

For other investments that do not fall within the scope of the (sub-)fund’s sustainability strategy, it is ensured that they are not used contrarily to the sustainability strategy. To the extent that derivatives may be acquired, it is ensured that the underlying asset complies with the sustainability strategy. If an index is used as the underlying asset, it is ensured that the index has sustainability characteristics. Due to the financial instruments available on the market, the sustainable characteristics of the underlying index may deviate from the (sub-)fund characteristics. All derivatives whose underlying asset may be classified as not in line with the sustainability strategy as well as currency holdings that do not correspond to the (sub-)fund’s currency, or which are not denominated in EUR, USD, GBP, CHF, JPY, AUD, NZD, CAD; NOK or SEK may not be included as an integral part of the (sub-)fund. This does not include the use of derivatives to offset negative market fluctuations. In addition, investments can be specifically excluded from the sustainability strategy that are not subject to an explicit assessment of minimum environmental and/or social safeguards.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they

### **Is a specific index designated as a benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

Not applicable

- **How is the reference benchmark continuously aligned with each of the environmental and social characteristics promoted by the financial product?**

Not applicable



- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable

- **How does the designated index differ from a relevant broad market index?**

Not applicable

- **Where can the methodology used for the calculation of the designated index be found?**

Not applicable

**Where can I find more product-specific information online?**

**Further product-specific information can be found at:**

<https://fondsfinder.universal-investment.com/api/v1/LU/LU1637619120/document/SRD/de>

# **Management Regulations**

## **Article 1 – The Fund**

Berenberg European Small Cap, an investment fund which is subject to the laws of the Grand Duchy of Luxembourg, is a legally dependent investment fund (fonds commun de placement) established in accordance with Part I of the Luxembourg Law of 17 December 2010. It is an investment fund (hereinafter, the “Fund”) which is aimed at all investors and consists of securities and other legally permitted assets (the “fund assets”). It is managed on behalf of the Management Company and for the collective account of the holders of units (hereinafter, the “investors”), based on the principle of risk diversification, by Universal-Investment-Luxembourg S.A., a public limited company (Aktiengesellschaft) under the law of the Grand Duchy of Luxembourg which has its registered office in Grevenmacher (hereinafter, the “Management Company”).

The Fund qualifies as a UCITS pursuant to Article 1(2) 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 (“UCITS Directive”), as amended, and may therefore be offered for sale subject to registration in each EU Member State.

The unit value is calculated separately for the Fund in accordance with the rules set out in Article 5 of the Management Regulations.

The investment restrictions set out in the Management Regulations are applicable to the Fund.

The Management Regulations provide for different unit classes in the Fund. The unit classes may differ in particular in terms of costs and expenses or the use of income or type of investor or level of applicable tax d’abonnement (pursuant to Chapter 23 of the Law of 2010) as well as regarding any other criteria as determined by the Management Company. All units bear equal entitlement to participate in yields, price gains and liquidation proceeds pertaining to their unit class from the date they are issued.

The assets of the Fund which are held in safekeeping by a depositary must be kept separate from the assets of the Management Company.

The contractual rights and obligations of the investors, the Management Company and the Depositary are set out in these Management Regulations, the current version of which and any amendments thereto are published in RESA, “Recueil électronique des sociétés et associations”, the electronic disclosure platform for the Grand Duchy of Luxembourg (hereinafter referred to as “RESA”), and deposited with the Luxembourg Trade and Companies Register from which they may be obtained.

By purchasing a unit, the investor acknowledges the Sales Prospectus, including the Management Regulations and all approved and published amendments thereto.

## **Article 2 – The Management Company**

Subject to the investment restrictions in Article 4 of the Management Regulations, the assets of the Fund are managed by the Management Company in its own name, but exclusively in the interests and for the collective account of the Fund's investors. The authority of the Management

Company extends in particular, but not exclusively, to the purchase, sale, subscription, conversion and acceptance of securities and other legally permissible assets and to the exercise of any and all rights associated directly or indirectly with the assets of the Fund. The Management Company sets the investment policy of the Fund taking account of the legal and contractual investment restrictions in Article 4 of the Management Regulations and in the annex ("Fund overview") to the Sales Prospectus. The annex ("Fund overview") to the Sales Prospectus can provide a period within which the prescribed investment limits and restrictions can be deviated from ("start-up phase").

The Board of Directors of the Management Company may entrust one or more of its members and/or employees with the day-to-day management of the Fund. In addition, the Management Company may bring in one or more investment advisers and one or more portfolio managers at the cost of the Fund and on its own responsibility.

The Management Company is entitled to use the remuneration charged to the fund assets as determined in the Sales Prospectus, Management Regulations and in the annex ("Fund overview") to the Sales Prospectus.

### **Article 3 – The Depositary**

BNP Paribas, Luxembourg Branch, has been appointed as the Depositary of the Fund pursuant to the written agreement between BNP Paribas, Luxembourg Branch and the Management Company (the "Depositary").

The Depositary carries out three types of tasks, namely (i) the supervisory duties (in accordance with Art. 18(2) of the Law of 17 December 2010), (ii) monitoring of the cash flows of the Fund (in accordance with Art. 18(3) of the Law of 17 December 2010) and (iii) safekeeping of the assets of the Fund (in accordance with Art. 18(4) of the Law of 17 December 2010).

As part of its supervisory duties, the Depositary is obligated to:

- (1) ensure that the sale, issue, repurchase, redemption and cancellation of units are carried out on behalf of the Fund in accordance with the Law of 17 December 2010 and the Fund's Management Regulations;
- (2) ensure that the value of units is calculated in accordance with the Law of 17 December 2010 and the Fund's Management Regulations;
- (3) follow the instructions of the Management Company acting on behalf of the Fund, unless they conflict with the Law of 17 December 2010 or the Fund's Management Regulations;
- (4) ensure that, in the case of transactions involving assets of the Fund, the contribution is transferred to the Fund within the usual time limits;
- (5) ensure that the income of the Fund is used in accordance with the Law of 17 December 2010 and its Management Regulations.

The primary objective of the Depositary is to protect the interests of the Fund's unitholders who always take precedence over commercial interests.

Conflicts of interest may arise if, in parallel with the appointment of BNP Paribas, Luxembourg Branch, the Management Company or the Fund has other business relationships with BNP Paribas, Luxembourg Branch.

Such other business relationships may include services relating to

- the outsourcing/transfer of middle or back office functions (e.g. trading, position management, post-trading monitoring of compliance with investment rules, collateral management, OTC valuation, fund management including calculation of net asset value, transfer agent, fund trading services) in which BNP Paribas or its affiliates act as agents of the Fund or the Management Company, or
- the selection of BNP Paribas or its affiliates as counterparty or provider of ancillary services, e.g. for the execution of foreign exchange transactions, securities lending transactions and interim financing.

The Depositary shall ensure that any transaction relating to these business relationships between the Depositary and a company belonging to the same group as the Depositary is carried out on arm's length terms and in the best interest of the unitholders.

For the management of conflicts of interest, the Depositary has implemented a policy to address, in particular, the following:

- identifying and analysing potential conflicts of interest;
- recording, managing and monitoring conflicts of interest through:
  - trust in the permanent measures taken to address conflicts of interest, such as separation of duties, separation of reporting channels, insider lists for employees;
  - conducting individual assessments to (i) take appropriate preventive measures such as creating a new watch list, introducing a new "Chinese Wall" (i.e. functional and hierarchical separation of their safekeeping duties from other activities), ensuring that transactions are carried out on arm's length terms and/or notifying the relevant unitholders of the Fund, or (ii) refuse to carry out the activity causing the conflict of interest;
  - defining ethical principles (deontology);
  - drawing up an overview of conflicts of interest to create a catalogue of permanent measures introduced to protect the interests of the Company; or
  - introducing internal procedures, e.g. in relation to (i) the appointment of service providers that could lead to conflicts of interest, (ii) new products/activities of the Depositary to assess any situation that could lead to a conflict of interest.

In the event that conflicts of interest arise, the Depositary shall make reasonable efforts to resolve these conflicts of interest fairly (taking into account its obligations and duties) and ensure that the Company and the unitholders are treated fairly.

The Depositary may delegate the safekeeping of the Fund's assets to third parties, subject to the conditions laid down in the applicable laws and regulations and in the provisions of the Depositary agreement. The appointment of these delegates and their ongoing supervision shall be carried out to the highest quality standards and shall include the management of potential conflicts of interest that may arise from this appointment. These delegates must be subject to effective prudential regulation (including minimum capital requirements, regulatory monitoring in the relevant jurisdiction and external, periodic review) for the custody of financial instruments. The liability of the depositary shall not be affected by such a delegation.

A potential risk of conflicts of interest may arise in situations where the delegates enter into or



maintain a separate trading and/or business relationship with the depositary in addition to the performance of the delegated custody functions.

In order to prevent these potential conflicts of interest from arising, the depositary is organised internally in such a way that these separate commercial and/or business relationships have no influence on the selection of the delegate or the monitoring of the delegate's performance under the transfer agreement.

A list of these delegates and sub-contractors with the safekeeping functions is available on the following website:

<https://securities.cib.bnpparibas/regulatory-publications/>

This list may be subject to change.

Up-to-date information on the depositary's safekeeping duties as well as a list of delegates and sub-contractors and any conflicts of interest that may arise can be obtained free of charge upon request from the depositary.

BNP Paribas, Luxembourg Branch, as part of a group that provides its clients with a global network covering different time zones, may transfer some of its operations to other companies belonging to the BNP Paribas Group and/or third parties, with ultimate accountability and responsibility remaining in Luxembourg. The entities involved in supporting the internal organisation, banking services, central administration and transfer agent services are listed on the website at <https://securities.cib.bnpparibas/luxembourg/> in the “Publications Corner” section. Further information on the international operating model of BNP Paribas, Luxembourg Branch, in conjunction with the Company may be provided by the Company and/or the Management Company upon request.

#### **Article 4 – General guidelines on investment policy and investment limits**

**A)** The Management Company may make certain types of investment in accordance with the investment policy set out in the annex (“Fund overview”) to the Sales Prospectus.

These investments of the fund assets may consist solely of:

1. Securities and money market instruments:
  - which are traded on a regulated market (as defined in Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments);
  - which are traded on another regulated market of a Member State of the EU which operates regularly and is recognised and open to the public;
  - which are officially listed on a stock exchange in a third country or traded on another regulated market in a third country which is recognised, open to the public and operates regularly (third countries are countries in North or South America, Australia including Oceania, Africa, Asia and/or Europe which are not EU member states);
  - new issues if the terms of issue include the obligation that admission to official listing on a stock exchange or another regulated market which operates regularly and is recognised and open to the public is applied for and the listing is obtained at the latest by one year after issue.
2. Sight deposits or other callable deposits with a maturity period of 12 months at most at qualifying credit institutions, provided the credit institution in question has its registered office

in an EU Member State or, if the registered office is in an OECD and FATF member country, that it is subject to supervisory provisions that are considered by the CSSF to be equivalent to those laid down in EU law.

3. Derivative financial instruments (“derivatives”) including equivalent instruments settled in cash which are traded on a regulated market referred to in the first, second and third indent of A(1), and/or derivatives which are not traded on a stock exchange (“OTC derivatives”), provided:
  - the underlying securities are instruments as defined in section A or are financial indices, interest rates, exchange rates or currencies in which the Fund is permitted to invest according to its investment objectives;
  - the counterparties in transactions with OTC derivatives are first-rate institutions of the categories permitted by the CSSF and subject to supervisory oversight; and
  - the OTC derivatives are subject to a reliable and verifiable assessment on a daily basis and can, at any time, be sold, liquidated or closed out through a counter transaction at a reasonable current value.
4. Money market instruments which are not traded on a regulated market and which do not fall under the definition of Article 1 of the Law of 17 December 2010, if the issue or the issuer of those instruments is already subject to provisions concerning the protection of deposits and investors, and provided that they are:
  - issued or guaranteed by a central, regional or local corporation or the central bank of a Member State, the European Union or the European Investment Bank, an OECD Member State or, in the case of a Federal state, a constituent state of the Federation, or by an international body under public law to which at least one Member State belongs;
  - issued by an undertaking whose securities are traded on the regulated markets referred to in A(1);
  - issued or guaranteed by an institution which is, in accordance with the criteria set out in EU law, subordinated to a supervisory authority, or an institute which is subject to supervisory provisions which are at least as rigorous, according to the CSSF, as those of EU law, and which complies with them;
  - issued by other issuers which belong to a category that has been admitted by the CSSF, insofar as investments in those instruments are subject to regulations for investor protection which are equivalent to those of the first, second or third indents and, insofar as this involves an issuer which is either company with equity of at least ten million euros (EUR 10 million), which provides and publishes its annual financial statements in keeping with Directive 78/660/EEC, or a legal entity which is responsible, within a group encompassing one or more companies quoted on the stock exchange, for financing that group, or else a legal entity whose task is to finance the securitisation of liabilities by making use of a credit line granted by a bank.
5. Units in target funds complying with the following definition (“target funds”): UCITS pursuant to EU Directive 2009/65 or UCIs as defined in Article 1(2)(a) and 1(2)(b) of EU Directive 2009/65, whose registered office is located in a Member State or a non-EC state, provided:
  - these UCIs were admitted in accordance with legal provisions which subject them to official supervision that the CSSF deems equivalent and there is sufficient guarantee of collaboration between the authorities; the degree of protection for the shareholders in the UCIs is equivalent to that of the shareholders in a UCITS, and particularly the provisions concerning the separate custody of special assets, borrowing, granting credit and short sales of securities and money market instruments are equivalent to the requirements of Directive 2009/65;
  - the business activities of the other UCIs are the subject of semi-annual and annual reports which allow an assessment to be made of the assets and liabilities, income and transactions in the reporting period; and
  - the UCITS or UCI whose units are to be acquired may, in accordance with its terms of

contract or articles of association, invest a maximum of 10% of its assets in units of other UCITS or UCIs.

6. However, the Fund may invest a maximum of 10% of its net assets in other securities and money market instruments than those mentioned in A(1)–(4).
7. The Fund also holds liquid assets and time deposits.  
Following the principle of risk diversification, the assets of the Fund shall be invested in accordance with the investment policy described below and comply with the investment restrictions pursuant to this Article of the Management Regulations.

**B)** The following investment restrictions are applied to the net fund assets:

1. The Fund is permitted to invest up to 10% of its net assets in securities or money market instruments from a single issuer. This limit does not affect the holding of liquid assets. The Fund may invest up to 20% of its net assets in investments in a single institution. The risk exposure to a counterparty in transactions of the Fund in OTC derivatives must not exceed the following:
  - if the counterparty is a qualifying credit institution in accordance with the definition in A.2, 10%;
  - or otherwise 5% of the net fund assets.
2. The total value of the securities and money market instruments of issuers with which the Fund invests more than 5% of its net assets may not exceed 40% of the value of its net assets. This restriction shall not apply to deposits and transactions in OTC derivatives with financial institutions which are subject to official oversight.
3. Notwithstanding the individual limits laid down in B(1), the Fund shall not combine more than 20% of its net assets in a single body, in any of the following:
  - investments in securities or money market instruments issued by that body and/or
  - deposits made with that body and/or
  - exposures arising from OTC derivative transactions undertaken with that body.
4. The limit laid down in the first sentence of B(1) shall be raised to 35% if the securities or money market instruments are issued or guaranteed by a Member State, by its local authorities, by an OECD member country or by public international bodies to which one or more Member States belong.
5. The limit laid down in the first sentence of B(1) is raised to 25% if the debt instruments are issued by a credit institution that has its registered office in a Member State and is subject to particular public supervision based on legal provisions for the protection of the investors in these debt instruments. In particular, the income from the issue of these debt instruments must be invested, in compliance with the legal provisions, in assets which throughout the term of the debt instruments provide adequate cover for the liabilities resulting from them, and which are primarily intended for the repayment of capital and interest that becomes due if the issuer defaults. If the Fund invests over 5% of its net assets in debt instruments within the meaning of B(5) above which are issued by a single issuer, then the total value of these investments cannot exceed 80% of the value of the net Fund assets.
6. The securities and money market instruments specified in B(4) and (5) shall not be taken into consideration when applying the investment limit of 40% that is referred to in B(2).  
The limits stated in B(1)–(5) are not cumulative and therefore investments as per B(1)–(5) in securities or money market instruments from a single issuer or in deposits with said issuer or in derivatives of same must never exceed 35% of the net fund assets.  
Companies belonging to the same company group for the purposes of drawing up the

consolidated accounts as defined in Directive 83/349/EEC or according to recognised international principles of accounting shall be regarded as a single issuer in the calculation of the investment limits provided for in B.1–6. Investments of the Fund in securities and money market instruments of a single group of companies together are not permitted to comprise 20% of its net assets.

**Without prejudice to the provisions under B(1)–(6), the Fund may, in accordance with the principle of risk diversification, invest up to 100% of its assets in securities and money market instruments of different issues that are issued or guaranteed by a Member State or its local authorities or by an OECD member country or by public international bodies to which one or more Member States belong, provided that (i) such securities belong to at least six different issues and (ii) no more than 30% of the net fund assets are invested in securities of a single issue.**

8. The Fund is permitted to acquire units in target funds provided that it invests no more than 20% of its net fund assets in the units of a single target fund. In the event that an umbrella fund is established to ensure the separation of liability for the assets of a sub-fund in relation to third parties, this 20% applies to such sub-funds.
9. Investments in units of target funds which are not UCITS are not permitted to exceed 30% of net Fund assets. The investments of the Fund in target funds are not taken into account with regard to the limits stated in B(1)–(7).
10. (a) The Management Company is not permitted to acquire any shares which carry voting rights for any of the investment funds qualifying as UCITS which it manages and which would permit it to exercise significant influence on the management of an issuer.  
  
(b) Furthermore, the Fund is permitted to acquire in total up to:
  - 10% of the non-voting shares of a single issuer;
  - 10% of the bonds of a single issuer;
  - 25% of the units of a single target fund;
  - 10% of the money market instruments of a single issuer.

The investment limits given in the second, third and fourth item in the list need not be applied when making a purchase if the gross amount of the bonds or money market instruments or the net amount of the issued units cannot be calculated at the time of purchase.

Paragraphs (a) and (b) are not applied:

- to securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- to securities and money market instruments issued or guaranteed by an OECD Member State;
- to securities and money market instruments issued by an international organisation under public law to which one or more Member States belong;
- to shares held by the Fund in the capital of a company in a third country which invests its assets mainly in securities of issuers which are domiciled in said country, if based on the legal provisions of that country such a participation is the only possible way for the Fund to make investments in securities of issuers domiciled in that country. However, this exemption only applies on condition that in its investment policy the company in the non-EC state does not exceed the limits prescribed in B(1) to (6) and (8) to (10)(a) and (b). If the limits envisaged in B(1) to B(6) and B(8) to B(9) are exceeded, B(12) shall apply mutatis mutandis.

11. (a) While observing the investment limits stated in B(10)(a) and (b), the limits stated in B(1)–(6) for investments in shares or bonds of a single issuer are permitted to be raised to a maximum of 20% if, according to the documentation of the UCITS, the objective of investment

policy is to replicate a share or bond index recognised by the Luxembourg supervisory authority. The index must meet the following requirements:

- the composition of the index must be sufficiently diversified;
- the index must provide an adequate benchmark for the market to which it refers;
- the index must be published by appropriate means.

(b) The limit specified under B(11)(a) amounts to a maximum of 35%, if so justified on the basis of extraordinary market conditions, namely particularly on regulated markets on which certain securities and money market instruments are highly dominant. Investment up to this limit is only possible with a single issuer.

12. (a) The Fund is not required to adhere to the investment limits outlined here when exercising subscription rights linked to securities or money market instruments which form part of the net assets. Irrespective of its obligation to adhere to the principle of risk diversification, the Fund may deviate from B(1)-(9) and (11) for a period of six months after it is officially listed and after another UCITS is absorbed.

(b) If the limits in B(12)(a) are exceeded by the Fund either inadvertently or due to the exercise of subscription rights, then the main goal of the Fund in its subsequent sales is to achieve the normalisation of the situation in accordance with the best interests of the investors.

13. (a) Neither the Management Company, the Fund nor the Depositary are permitted to take up loans for the account of the Fund. However, the Fund may acquire foreign currency by means of a "back-to-back" loan.

(b) In derogation of (a), the Fund may take up loans of up to 10% of its net assets, provided these are temporary loans.

14. The Management Company or the Depositary is not permitted to grant loans or to stand surety for third parties on behalf of the Fund, regardless of the application of Section (A). This does not impede the purchase by the Fund of not yet fully paid up securities, money market instruments or not yet fully paid up financial instruments mentioned in A.3–5.

15. The Management Company or the Depositary is not permitted to undertake short sales of securities or money market instruments on behalf of the Fund.

16. The Fund is permitted to hold liquid assets in the form of cash and regularly traded money market instruments of up to 49% of its net assets or to invest them as time deposits. These must in principle be of an ancillary nature.

17. At least 51% of the value of the UCITS investment fund shall be invested in shares which are admitted for official trading on a stock exchange or are admitted on another organised market or included in such a market, unless they are units in investment funds.

18. Further investment restrictions can be found in the "Fund overview".

### **C) Further investment guidelines, techniques and instruments:**

1. The Fund shall not invest in securities which feature unlimited liability.
2. The fund assets must not be invested in real estate, precious metals, certificates or merchandise.
3. Subject to the Depositary's agreement, the Management Company may apply further

investment restrictions in order to comply with the conditions in those countries where units are to be offered for sale.

4. Securities lending transactions, repurchase agreements and securities transactions with repurchase rights may not be entered into.
5. Any portfolio commission (commission on target fund portfolios held in the portfolio by the Fund) from target funds accrues to the respective fund assets.

#### **Efficient portfolio management techniques**

In accordance with CSSF Circular 13/559, supplemented by CSSF Circular 14/592, techniques may be used for the Fund in order to efficiently manage the portfolio. Of these, the Fund currently only uses derivative transactions that can be concluded in any form. Securities financing transactions are not currently used.

#### **Use of derivatives**

Subject to a suitable risk management system, the Fund may invest in any derivatives that are derived from assets that may be acquired for the Fund, or from financial indices, interest rates, exchange rates or currencies. This includes, in particular, options, financial futures contracts and swaps, as well as combinations thereof. They may also be used as part of the investment strategy, in addition to hedging.

Trading in derivatives shall be conducted within the investment limits and provides for the efficient management of the fund assets while also regulating investment maturities and risks.

#### **Collateral management for OTC derivatives transactions**

The Fund may receive collateral for transactions with OTC derivatives in order to reduce counterparty risk.

In order to secure obligations, the Fund may accept all collateral which corresponds to the rules of CSSF circulars 08/356, 11/512 and 13/559, supplemented by CSSF Circular 14/592.

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

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

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

If collateral is provided in the form of cash and, as a result, a credit risk arises for the Fund in connection with the administrator of said collateral, this is subject to the 20% restriction as stipulated in Article 43(1) of the Law of 17 December 2010. In addition, such cash collateral may not be held in custody by the counterparty unless said collateral is protected from the consequences of a payment default by the counterparty.

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

If collateral meets a series of criteria such as the standards for liquidity, valuation, the credit rating of the issuer, correlation and diversification, it may be offset against the gross commitment of the

counterparty. If collateral is offset, its value may be reduced by a percentage rate as a result of the price volatility of the collateral (a “discount”) which may trigger, amongst other things, short-term fluctuations in the value of the commitment and the collateral.

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

The discounts applied to collateral are influenced either by:

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

To adequately consider the risks associated with the relevant collateral, the Management Company will determine whether the value of the required collateral has to be increased by a surcharge or whether a conservative surcharge (haircut) must be made on the value of the relevant collateral. The more the value of the collateral fluctuates, the higher the surcharge is likely to be.

The Board of Directors of the Management Company is going to issue an internal regulation, which determines the details on the aforementioned requirements and values, especially on the permitted types of collateral, the surcharges and discounts to be applied to the relevant collateral and the investment policy for cash that has been left over as collateral. This regulation will be assessed by the Board of Directors of the Management Company on a regular basis and amended, if applicable.

At present, the following requirements and applicable premiums and haircuts for the respective collateral have been specified by the Management Company:

***(a) Permitted collateral***

- Cash deposits / call money with daily availability in EUR, USD, CHF, JPY and GBP or in the corresponding fund currency. The outsourcing bank must have a minimum rating of A or higher;
- government bonds, supranational bonds, state-guaranteed bonds and bonds of German federal states;
- corporate bonds;
- covered bonds in accordance with the regulations of Germany (German Pfandbriefe), Denmark, Finland, France, Italy, Luxembourg, Norway and Sweden;
- bonds in general: maximum remaining term is not restricted, but there are higher haircuts (see below);
- ordinary and preferential shares from a valid index (see Annex A of the internal regulation: list of permitted indices).

Securities must be in one of the following currencies: EUR, USD, CHF, JPY or GBP.  
The counterparty and issuer of the collateral may not belong to the same group.

***(b) Non-permitted collateral***

- Structured products (e.g. embedded options, coupons and notionals depending on a reference asset or trigger, stripped bonds, convertible bonds);
- securitisations (e.g. ABS, CDO);
- GDRs and ADRs Global Depositary Receipts (GDRs) and American Depositary Receipts (ADRs)

### **(c) Quality requirements**

The issue rating (lowest of S&P, Moody's or Fitch) for bonds or the issuer rating for shares must be within investment grade (often stricter requirements can be found here, e.g. rating AA, potential exceptions for existing funds:

In the case of funds which have no collateral with a minimum rating of AA, a reduction of the minimum rating is possible within the range of the investment grade (at least equivalent to BBB-). In this case, higher haircuts must be used.

Collateral has to be measurable and liquid. Indicators of liquidity are:

- Bid-ask spreads;
- Existence of broker quotes;
- Trade volume;
- Quotes' time stamp/up-to-dateness.

The aforementioned indicators must be shown on freely accessible Bloomberg websites.

The issuers have to be legally independent from the counterparty.

### **d) Quantity requirements**

(1) Concentration risks involved with existing collateral are to be avoided or reduced using the following measures/limits:

- the proportion for each sector and country (outside the EURO zone) of the Fund must be at most 30% of total collateral for each counterparty;
- the nominal amount for bonds must not exceed 10% of the issue volume for each fund and for all counterparties;
- the volume of shares must not exceed 50% of the average daily volume (measured against the last 30 days on the main stock exchange) and 1% of market capitalisation.

AAA government bonds are not subject to the aforementioned limits.

(2) Haircut

With regard to the fact that CSSF Circular 11/512 provides for the implementation of bullet points 2 and 3 of Box 26 of the ESMA 10-788 Guidelines "for the valuation of the collateral presenting a significant risk of value fluctuation, UCITS should apply prudent discount rates", the Management Company has specified discounts for the valuation of different asset classes.

The currently defined haircuts are as follows:

- for shares: 25%.
- for cash in a foreign currency: 4%.
- For government bonds and covered bonds depending on the remaining term:

Remaining term	Haircut
0–2 years	1%
2–5 years	2%
5-10 years	3%
> 10 years	5%



➤ Corporate bonds 15%.

The Management Company shall regularly review the specified haircuts in order to determine whether these values are still appropriate (in light of current market conditions) or whether the values need to be adjusted.

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

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

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

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

#### **D) Risk management procedure:**

A risk management procedure is used to allow the Management Company to monitor and measure the risk which is associated with the investment positions of the Fund as well as their respective share in the overall risk profile of the net fund assets in accordance with CSSF Circular 11/512 (or a circular to replace it or add to it). With regard to derivatives, a procedure shall be applied here enabling a precise and independent valuation of the risk associated with derivatives.

The Management Company shall ensure for the Fund that the overall risk associated with derivatives does not exceed the total value of the net fund assets. The calculation of this risk shall take into account the market value of the underlying assets, the risk of default on the part of the counterparty, future market fluctuations and the liquidation period of the positions.

As part of its investment strategy, the Fund may invest in derivatives within the limits set out above in B(6) of this Article to the extent that the overall risk for the underlying assets does not exceed the investment limits as per B(1)–(6) above. If a Fund invests in index-based derivatives, these investments shall not be considered in the investment limits as per B(1)–(6) above. A derivative embedded in a security or money market instrument must be taken into account with regard to compliance with the provisions of this section D.

#### **Article 5 – Calculation of the net asset value per unit**

The value of a unit is denominated in the currency (the “fund currency”) defined in the annex (“Fund overview”) to the Sales Prospectus. This is calculated by the Management Company each valuation day under the supervision of the Depositary. The valuation days can be seen in the annex “Fund overview”. The calculation is done by dividing the Fund's net assets by the number of units of the Fund circulating on the valuation day. To counteract the practices of late trading and market timing, the calculation is made after the cut-off time for the acceptance of subscription and/or conversion applications, as defined in the annex (“Fund overview”) or in the Sales

Prospectus. The net fund assets (hereinafter also referred to as the “net asset value”) are calculated based on the following principles:

- (a) Securities and money market instruments listed on a stock exchange shall be valued at the latest available trading price at the time when the net asset value is calculated.
- (b) Securities and money market instruments not listed on an exchange but traded on another regulated market which operates regularly and is recognised and open to the public shall be valued at a price that cannot be less than the bid price or more than the offer price at the time of valuation and which the Management Company deems to be the best possible price at which the securities and/or money market instruments can be sold.
- (c) Securities and money market instruments which are neither listed on the stock market nor traded on another regulated market shall be valued at their market value at the time of calculating the net asset value as determined by the Management Company in good faith and abiding by generally recognised valuation rules that are verifiable by auditors.
- (d) Units in UCITS and/or UCIs shall be valued at their net asset value last determined and available at the time of the calculation of the net asset value, applying a redemption fee, if necessary.
- (e) The liquid funds shall be valued at their nominal value (plus interest) at the time of calculating the net asset value. Fixed-term deposits with an original maturity of more than 30 days may be valued at the relevant yield value.
- (f) All assets not denominated in the currency of the Fund shall be converted to the currency of the Fund at the latest mean rate of exchange available at the time of the valuation.
- (g) Derivatives (e.g. options) shall be, in principle, valued at their most recent market or brokerage prices available at the time of valuation. If a valuation day coincides with the settlement day for a position, the valuation of the corresponding position shall be made at its settlement price. Options on indices without an average calculation shall be valued using the Black & Scholes model, and options with an average calculation (Asian style options) shall be valued with the Levy approximation. The valuation of swaps including credit default swaps shall take place in a regular and reproducible form. It should be noted that swap contracts are entered into under normal market conditions exclusively in the interests of the Fund.
- (h) The pro rata interest applicable to securities and/or money market instruments shall be included, if not expressed in the market value.

If different unit classes are established for the Fund in accordance with Article 1(4) of the Management Regulations, the following special features apply to the calculation of unit value: The unit value is calculated separately for each unit class according to the criteria stated in this Article.

The inflow of funds based on the issue of units increases the percentage share of the respective unit class in the total value of the net fund assets. The outflow of funds based on the redemption of units reduces the percentage share of the respective unit class in the total value of the net fund assets.

In the event of a distribution, the unit value of units in the corresponding unit class which carry entitlement to a distribution is lowered by the amount of the distribution. At the same time the percentage share of the total net fund assets represented by the unit class carrying entitlement to a distribution is reduced, whilst the percentage share of the total net fund assets represented by the unit class which does not carry entitlement to a distribution is increased.

An income equalisation procedure is calculated on the Fund's income. This means that the income which has accrued during the financial year which the purchaser of units has to pay as part of the issue price, and which the seller of unit certificates will receive as part of the redemption price, is continuously netted. The expenses incurred are taken into account correspondingly. When

calculating the income equalisation, the method is used which corresponds to the applicable rules given in the German Investment Act or Investment Tax Act.

If unusual circumstances arise which render a valuation in accordance with the above criteria impossible or inappropriate, the Management Company has the right to apply other valuation rules, in good faith, which are generally recognised and may be verified by auditors, in order to obtain a proper valuation of the fund assets.

The Management Company reserves the right to redeem no more than 10% of the net fund assets of a fund on a valuation day.

In the case of redemption applications which exceed 10% of the net fund assets on a valuation day, the Management Company may declare that any redemption which exceeds 10% of the net fund assets of the Fund will be partially postponed until the next valuation day. It is treated on an equal footing with subsequent redemption applications on this valuation day. The same rules apply on this valuation day as on any other valuation day.

The Management Company has delegated decision-making authority on the implementation of gating, including the parameters used (e.g. deferred part of the redemption application), to a committee within the Management Company.

The Management Company may decide to temporarily extend the usual notice period that investors must observe with respect to the Management Company when redeeming their units, in order to give the Investment Manager more time to process redemption applications, for example in exceptionally deteriorated market conditions.

The Management Company has delegated the power to decide on the temporary extension of the notice period to a committee within the Management Company.

Investors who have suffered a loss as a result of the mispricing of the net asset value and non-compliance with the investment rules applicable to the Fund shall in principle be compensated if the tolerance thresholds for revaluation listed in Circular 24/856 have been exceeded.

## **Article 6 – Issue of units**

The units may be issued at the issue price on any valuation day in accordance with the annex ("Fund overview") to the Sales Prospectus.

Any natural person or legal entity may acquire units through their purchase and payment of the issue price, subject to Article 7 of the Management Regulations.

In principle, all units in the Fund have the same rights, unless the Management Company decides to issue different unit classes in accordance with this Article.

The Management Company may decide, from time to time, to establish two or more unit classes within the Fund. The unit classes may differ from one another on account of their characteristics and rights, the investors that may acquire and hold units, their transferability, their use of income, fee structures or other specific characteristics and rights. From the day they are issued, all units have the same entitlement to the income, price gains and liquidation proceeds of their particular unit class. If unit classes are established for the Fund, this shall be mentioned in the corresponding table entitled "Overview of the Fund", stating the specific characteristics or rights.

Orders to purchase registered units may be submitted to the Registrar and Transfer Agent, the

Management Company and any applicable distributors.

Orders to purchase bearer units – generally securitised in the form of a global note – will be forwarded to the Registrar and Transfer Agent by the investor's securities account holder.

Orders received by noon (Luxembourg time) on a valuation day in accordance with the annex ("Fund overview") to the Sales Prospectus shall be settled on the basis of the issue price on that valuation day. Orders received after noon (Luxembourg time) shall be settled on the basis of the issue price on the next valuation day.

The issue price is the net asset value per unit in accordance with Article 5 of the Management Regulations for the corresponding valuation day, plus any applicable sales commission and/or front-end load pursuant to the "Fund overview" annex. The issue price is payable within the number of banking days following the valuation day as stipulated in the annex ("Fund overview") to the Sales Prospectus. The issue price is paid in the currency of the Fund or, where there are several unit classes, in the relevant unit class currency. If a country's laws prescribe lower levels of sales commission, the banks involved in that country may sell units at a lower sales commission, but this must not fall below the maximum permitted sales commission that applies there. If savings plans are offered, sales commission shall be charged only on payments actually made. The issue price increases to include payments or other charges incurred in various countries in which units are sold. If distributions pursuant to Article 12 of the Management Regulations are immediately reinvested in units, a reinvestment discount set by the Management Company may be granted.

The units are issued without delay by the Registrar and Transfer Agent on behalf of the Management Company following the receipt of the issue price by the Depositary. In this respect the Management Company may issue fractions of up to 0.001 of a unit. Investors are informed that units held by Clearstream or Euroclear are registered in the name of the respective Depositary (Clearstream or Euroclear). Please note that Clearstream offers the option of issuing fractions of units, whereas Euroclear does not.

There is no right to receive physical certificates.

The Management Company may at any time at its own discretion issue additional units of the Fund to investors via the Depositary free of charge for the purpose of splitting units. When this is done, the unit split for all units issued is made using the same ratio.

In compliance with CSSF Circular 04/146, the Management Company prohibits all practices associated with market timing/late trading. The Management Company is entitled to reject applications for subscription from an investor if it suspects that the investor is applying such practices. In this case the Management Company reserves the right to take all necessary measures in order to protect the remaining investors.

Information on the issue prices is available from the registered offices of the Management Company, Depositary and Paying Agents of the Fund, and is published in accordance with the legal provisions of each country in which the units are authorised for public distribution, as well as on the Management Company's website ([www.universal-investment.com](http://www.universal-investment.com)).

## **Article 7 – Restrictions on the issue of units**

The Management Company must observe the laws and regulations of all countries in which units are offered for sale when issuing units.

The Management Company may reject a purchase order at any time at its choosing or may temporarily restrict, suspend or completely cease the issue of units if such a measure appears necessary in order to protect the interests of the investors or the Fund.

Moreover, at any time, and in exchange for payment of the redemption price, the Management Company may repurchase units held by investors excluded from purchasing or possessing units.

Incoming payments for purchase orders that have not been carried out shall be refunded immediately by the Depositary or Paying Agent without including interest.

## **Article 8 – Redemption, compulsory redemption and exchange of units**

Investors are entitled to request the redemption of their units at any time. Redemption shall only take place on a valuation day pursuant to the annex (“Fund overview”) to the Sales Prospectus in exchange for the units.

Orders to redeem or convert registered units may be addressed to the Management Company and any applicable distributors. The entity concerned will forward the orders to the Registrar and Transfer Agent.

Orders to redeem or convert bearer units – generally securitised in the form of a global note – will be forwarded to the Registrar and Transfer Agent by the investor's securities account holder.

Orders to sell that are received by noon (Luxembourg time) on a valuation day in accordance with the annex (“Fund overview”) to the Sales Prospectus shall be settled on the basis of the redemption price on that valuation day. Orders to sell that are received after noon (Luxembourg time) shall be settled on the basis of the redemption price on the next valuation day.

The redemption price is the net asset value per unit calculated in accordance with Article 5 of the Management Regulations, where appropriate less a redemption fee in accordance with the annex entitled “Fund overview”, which is charged in favour of the Fund. The redemption fee is applied uniformly to every redemption of units. Payment of the redemption price is made in accordance with the annex entitled “Fund overview” or Sales Prospectus within the number of banking days defined therein after the corresponding valuation day. The redemption price is paid in the currency of the Fund or, where there are several unit classes, in the relevant unit class currency. In the case of redeeming registered units, payment is made to the reference account specified by the investor. Subject to prior approval from the Depositary, the Management Company is entitled to effect considerable redemptions only after corresponding assets in the Fund have been sold without delay. In this case, redemption takes place in accordance with the provisions of Article 5, last section of the Management Regulations, at the net asset value per unit then applicable.

The Management Company ensures that the fund assets include sufficient liquid assets to allow unit redemptions requested by investors to take place immediately in normal circumstances.

Investors who have requested the redemption of their units shall be notified immediately if the calculation of net asset value pursuant to Article 9 of the Management Regulations is suspended and shall be notified immediately when calculation of the net asset value resumes.

The Depositary is obliged to make a payment only insofar as no legal impediments, e.g. exchange control regulations or other circumstances which cannot be influenced by the Depositary, prevent or restrict the transfer of the redemption price to the applicant's country.

If different unit classes are created for the Fund in accordance with Article 1(4) of the Management

Regulations, the investor may convert a part of or all of his units, against payment of a conversion fee set in the Sales Prospectus and with the attribution of any issue tax applicable, into units of a different unit class, provided this is permitted in the Sales Prospectus for the relevant unit classes of the Fund. This conversion is made at the next calculated net asset values in accordance with Article 5 of the Management Regulations per unit of the Fund. Any residual amount resulting from the conversion of units shall be paid to the investor.

In compliance with CSSF Circular 04/146, the Management Company prohibits all practices associated with market timing/late trading. The Management Company is entitled to reject applications for redemption and/or conversion from an investor if it suspects that the investor is applying such practices. In this case the Management Company reserves the right to take all necessary measures in order to protect the remaining investors.

The acquisition or holding of units is prohibited, in particular for investors who are natural persons, partnerships or legal entities who directly or indirectly violate applicable AML/CTF regulations, are listed on the sanctions lists of the European Union, the United Nations (UN) and the Office of Foreign Assets Control ("OFAC"), or are resident in countries classified as high-risk countries ("blacklist") by the Financial Action Task Force ("FATF"). In these cases, the Management Company is obliged and authorised to buy back the units of these investors (including those investors who were already sanctioned prior to the introduction of this clause) at the current redemption price immediately upon knowledge of the sanction.

## **Article 9 – Suspension of the issue and redemption of units and the calculation of net asset value**

The Management Company is authorised to temporarily cease calculating the net asset value and issuing and redeeming units if and as long as there are circumstances which necessitate this and if the suspension is justifiable on account of the interests of investors, particularly

- (a) during the period in which the calculation of the unit value is suspended in the case of target funds in which a major proportion of the fund assets is invested, or during which a stock exchange or other regulated market is closed on which a substantial proportion of the Fund's securities is traded (apart from normal weekends or public holidays), or trading at such a stock exchange is halted or restricted and/or the calculation of the unit value of target funds is suspended;
- (b) in emergency situations in which the Management Company cannot access the assets or in which it is impossible to transfer the countervalue for investment purchases or sales freely, or in which the calculation of net asset value cannot be properly conducted.

Investors who have offered their units for redemption shall be notified immediately of the cessation of the calculation of unit value.

## **Article 10 – Fund costs and expenses**

The Fund bears the following expenses incurred in connection with managing and distributing the Fund:

- a) the fee for the Management Company, which is part of a flat fee, plus statutory value added tax as applicable, calculated based on the net asset value calculated daily (see Article 5 of the Management Regulations) and payable at the end of each quarter, in accordance with the annex to the Sales Prospectus entitled "Fund overview";
- b) the fee for the Portfolio Manager, which is part of a flat fee, plus statutory value added tax

- as applicable, calculated based on the net asset value calculated daily (see Article 5 of the Management Regulations) and payable at the end of each quarter, in accordance with the annex to the Sales Prospectus entitled “Fund overview”;
- c) the fee for the Depositary, which is part of a flat fee, plus statutory value added tax as applicable, calculated based on the net asset value calculated daily (see Article 5 of the Management Regulations) and payable at the end of each month, as well as its handling charges and customary bank charges in accordance with the annex to the Sales Prospectus entitled “Fund overview”;
  - d) a normal market fee for the Registrar and Transfer Agent, which is part of a flat fee, plus statutory value added tax as applicable, in accordance with the annex to the Sales Prospectus entitled “Fund overview”;
  - e) a normal market fee for distributors and paying and information agents;
  - f) taxes and duties levied on the assets of the Fund, its earnings and expenses, and charged to the Fund;
  - g) taxes in connection with the management;
  - h) costs and expenses in connection with managing and distributing the Fund;
  - i) documentation costs and expenses such as the preparation, printing, publication and distribution of the prospectus, the key information documents or other offering documents and the financial statements, reports to unitholders and other documents provided to unitholders;
  - j) all costs incurred in registering the Fund with any governmental or regulatory authority, as well as the costs of maintaining the registration of the Fund with such governmental or regulatory authorities and the costs of listing and maintaining the listing of units on a stock exchange;
  - k) a normal market payment for the provision of services which generate additional income for the investment fund;
  - l) costs incurred by the Management Company or the Depositary for legal advice when acting in the interests of the investors of the Fund;
  - m) auditor fees;
  - n) costs of performance analyses and other special reports;
  - o) the Management Company may make use of the services of third parties for the management of collateral for derivative transactions. The Management Company has the right to charge a fee in respect of the assets of the Fund or of one or more unit classes. This fee shall not be covered by the flat fee and shall consequently be additionally charged to the Fund’s assets by the Management Company;
  - p) all other costs associated with implementing regulatory requirements;
  - q) costs of dissolution and liquidation of the Fund;
  - r) costs incurred for the exercising of voting rights;
  - s) costs of obtaining analytical material or services from 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 which are closely linked with a particular sector or market, up to a level of 0.07 % p.a. of the average value of the net Fund assets within a financial year, as calculated on the basis of the values on each valuation day;
  - t) costs and fees that may be incurred in connection with the acquisition and/or use or mention of a benchmark or financial index;
  - u) reporting costs of the Fund and its sub-funds and the costs and fees of additional investor reporting.
  - v) In cases where the Fund receives compensation in the context of class actions, the Management Company may collect a fee of up to 5% of that amount.

If the class action fails, the Fund shall incur no costs.

As the Fund assets may be invested in target funds, its performance may be impacted by a double

charging of expenses, especially since costs and expenses are charged to both the target fund and the Fund assets. When the Fund acquires units in a target fund which is managed directly or indirectly by the same management company or by a company affiliated to the Management Company via shared management or control or by a considerable direct or indirect participation, then the Management Company or other company may not charge any fees for subscription or repurchase of units in this target fund by the Fund itself.

However, if the Fund invests in target funds which are launched and/or managed by other companies, the respective front-end load or possible redemption fees must be taken into account, where applicable. However, the object of fund management is to acquire target funds where possible without a front-end load and redemption fees. Costs incurred by the Fund from participating in subscriptions to target funds may be charged to the Fund. The maximum flat fee of the target funds may be viewed in the investment policy of the Fund in the annex ("Fund overview") to the Sales Prospectus.

The Fund may purchase assets which have not been admitted to the official market at a stock exchange or are not incorporated into an organised market. The Fund may use the services of third parties for the administration of OTC derivative transactions and collateral for derivative transactions. Fees incurred for the use of third-party services and internal costs of the Management Company, both being in line with market standards, are charged to the Fund. The Management Company may charge the Fund or one or several unit classes a lower fee at its own discretion, or indeed may exempt the latter from being paying such costs. The fees for third-party services shall not be covered by the flat fee and shall, as such, be charged to the Fund additionally. These costs and any losses from OTC derivative transactions reduce the earnings of the Fund. In the annual and semi-annual reports, the Management Company indicates the charges levied for these third parties for all unit classes.

The amounts paid as costs and payments are recorded in the annual reports.

All costs and payments are first added to the current income, then to the capital gains and finally to the assets of the Fund.

The costs and handling charges associated with the purchase or sale of assets may be included in the purchase price and/or subtracted from the sales proceeds. In addition to the aforementioned fees and expenses, the costs incurred in connection with the acquisition and sale of assets are charged to the Fund's assets, provided these are not borne by the Management Company, the Depositary or the Portfolio Manager.

## **Article 11 – Audit**

The fund assets are controlled by an independent firm of auditors nominated by the Management Company.

## **Article 12 – Use of income**

The ordinary net income of the Fund accrued during the financial year is generally reinvested in the Fund. The Management Company reserves the right to make distributions and interim distributions. It is also at the Management Company's discretion whether to distribute capital gains, as well as proceeds from the sale of subscription rights and other income in whole or in part.



A distribution is made to the units which are in circulation on the distribution date. An income equalisation shall be created and operated.

The associated income equalisation is taken into account.

An income distribution may not exceed the minimum volume of the Fund as prescribed pursuant to the Law of 2010.

### **Article 13 – Amendments to the Management Regulations**

The Management Company may fully or partially amend these Management Regulations at any time subject to prior approval by the Depositary.

Changes to the Management Regulations shall be deposited with the Luxembourg Trade and Companies Register and a notice of this deposit published in the RESA. The changes shall enter into force on the date of signing unless determined otherwise. The Management Company may instigate further publications in line with Article 14(1) of the Management Regulations.

### **Article 14 – Publications**

Information on the issue and redemption price of the Fund and/or each unit class is available at the registered office of the Management Company, the Depositary and Paying Agents of the Fund abroad and published in accordance with the legal provisions of any country in which units are authorised for sale to the public as well as on the Management company's website ([www.universal-investment.com](http://www.universal-investment.com)). The net asset value of the Fund and/or of each unit class may be requested from the registered office of the Management Company and is also published on the Management Company's website ([www.universal-investment.com](http://www.universal-investment.com)).

By at the latest four months after the close of each financial year the Management Company shall prepare an audited annual report which provides information on the fund assets, its management and the result. By two months at the latest after the end of the first half of each financial year the Management Company shall prepare a semi-annual report which provides information on the fund assets and its management during the corresponding half year.

The Sales Prospectus together with the Management Regulations, the Key Information Document ("PRIIPs KID"), the latest annual report and – if this report is older than eight months – also the latest semi-annual report of the Fund are available to investors free of charge at the registered office of the Management Company, the Depositary and each Paying Agent.

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

### **Article 15 – Term of the Fund and unit classes, merger, liquidation or winding up and closure**

The Fund was established for an indefinite period.

A) The Fund or the relevant unit classes may be liquidated, wound up and/or closed at any time by resolution of the Management Company, particularly if the net assets of a fund or unit class fall below an amount at which efficient and rational management no longer seems possible. This is particularly the case in situations of changed economic and/or political framework conditions that have an adverse impact on the Fund or unit class, if the products offered are rationalised or in any other cases to protect the interests of unitholders.

Liquidation or winding up is mandatory in the following cases:

- if the appointment of the Depositary is terminated without a new appointment being made within the statutory or contractual time limits;
- if the Management Company files for bankruptcy or is wound up for any reason;
- in other cases envisaged in the Law of 2010 on undertakings for collective investment.

The liquidation or winding up of the Fund and/or the closure of the Fund or individual unit classes shall be published by the Management Company according to the statutory provisions in the Grand Duchy of Luxembourg in a Luxembourg daily newspaper and in accordance with the legal provisions of each country in which the units are authorised for public sale. In the event of the liquidation, winding up and/or closure of the Fund, the completion of the liquidation or closure shall also be published in the RESA.

If circumstances arise leading to the liquidation or winding up of the Fund and/or the closure of the Fund or a unit class, the issue and redemption of units shall be suspended on the date of resolution. If equal treatment of investors can be ensured, units may be redeemed up to liquidation or winding up/closure. The Depositary shall distribute the liquidation proceeds, less the liquidation costs and fees, among the investors in proportion to their respective holdings at the instruction of the Management Company or, where applicable, the liquidators that are appointed by the Management Company or by the Depositary in agreement with the supervisory authorities. Liquidation proceeds which have not been claimed by investors by the time when the liquidation proceedings are concluded shall be converted into EUR insofar as this is required by law, and they shall be deposited by the Depositary with the Caisse de Consignation in Luxembourg on behalf of the entitled investors. These amounts shall be forfeited if not claimed within the statutory time limit.

B) Neither investors nor their heirs or legal successors may apply for the winding up or splitting of the Fund or the merging of the Fund with another UCITS or the inclusion of another UCITS.

The Management Company may merge the Fund at any time with another domestic or foreign UCITS on a resolution by the Management Company in accordance with the provisions of Chapter 8 of the Law of 2010.

In addition, the Management Company may decide to merge a unit class or several unit classes within the Fund or another Luxembourg or foreign UCITS.

If the Management Company reaches a resolution to merge the Fund with another UCITS or to absorb another UCITS in accordance with the above paragraph, this must be announced in the RESA subject to notice of 35 days before it comes into effect, and in accordance with the statutory provisions of the countries in which the Fund is approved for public distribution.

Following the publication of the notice to the investors, the merger investors of the merging fund and of the absorbing fund have the right during a period of up to five (5) banking days before the date of the merger to return their units free of charge.

#### **Article 16 – Limitation period and presentation period**

Claims by investors against the Management Company or Depositary may no longer be legally

asserted once five years have expired since the claim arose; the provisions set out in Article 15 of the Management Regulations are exempt from this limitation.

The presentation period for dividend coupons is five years from the publication of the distribution announcement. Income which is not claimed within the presentation period shall be returned to the Fund after this time limit has expired. However, the Management Company has the option to choose whether to redeem distribution coupons at the expense of the Fund after the presentation period has elapsed.

#### **Article 17 - Governing law, jurisdiction and contract language**

These Management Regulations are subject to the law of the Grand Duchy of Luxembourg. The same applies to the legal relationship between the investors and the Management Company. The Management Regulations are deposited with the district court of Luxembourg.

Any legal dispute between investors, the Management Company and the Depositary shall be subject to the jurisdiction of the competent court in the judicial district of Luxembourg in the Grand Duchy of Luxembourg. The Management Company and the Depositary shall be entitled to subject themselves and the Fund to the jurisdiction and law of any country in which units in the Fund are publicly sold, provided the claims are from investors domiciled in that country and pertain to the subscription and redemption of units.

The German version of these Management Regulations is binding. The Management Company and the Depositary may, with regard to units sold to investors in the country in question, declare translations of the Management Regulations into the languages of these countries where such units are sold publicly to be binding on themselves and the Fund.

#### **Article 18 – Entry into force**

The Management Regulations shall enter into force on 13 February 2026.

## ANNEX – ADDITIONAL INFORMATION FOR INVESTORS IN THE UNITED KINGDOM

### 1. INTRODUCTION

The Fund has been granted the status of recognised scheme under the UK Overseas Funds Regime (the “OFR”).

### 2. FACILITIES FOR UK UNITHOLDERS

Zeidler Legal Services (UK) Limited (the “**Facilities Agent**”) is responsible for providing facilities services to the Fund and maintenance of the facilities required of a recognised scheme pursuant to the rules contained in the Collective Investment Schemes Sourcebook (“**COLL**”) published by the FCA as part of the FCA’s Handbook of Rules and Guidance governing recognised schemes.

The facilities will be located at the offices of the Facilities Agent at 154–160 Fleet Street, London, United Kingdom, EC4A 2DQ. At these facilities, any person may:

1. Inspect (free of charge), during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted), a copy of the following documents:
  - a) the Management Regulations of the Fund;
  - b) the latest Prospectus including any Annex or Supplementary information thereto;
  - c) the latest key investor information documents (“**KIIDs**”);
  - d) the latest annual and, if more recent, semi-annual report; and
  - e) any other documents required from time to time by COLL to be made available.
2. Obtain a copy (in English) of any of the above documents (free of charge in the case of documents (b), (c) and (d));
3. Obtain information (in English) relating to the prices of units;

In addition, unitholders may at these facilities:

1. Submit orders to subscribe for and redeem units;
2. Obtain information about how any payment due to unitholders will be made;
3. Provide information to enable the Management Company to maintain a record of each unitholder’s full name and address and any other required details; and
4. Submit a complaint about the operation of the Fund to the Management Company and obtain information about arrangements for the resolution of the complaint.

### **3. COMPLAINTS**

A UK unitholder who has a complaint about the Fund, the Depositary or about the Management Company may contact the Management Company or the Facilities Agent. The Management Company may be contacted by post at Universal-Investment-Luxembourg S.A, 15, rue de Flaxweiler L-6776 Grevenmacher Grand Duchy of Luxembourg; or by e-mail [Beschwerdemanagement-ui-lux@universal-investment.com](mailto:Beschwerdemanagement-ui-lux@universal-investment.com).

### **4. ACCESS TO THE UK FINANCIAL OMBUDSMAN SERVICE AND FINANCIAL SERVICES COMPENSATION SCHEME**

UK unitholders should be aware that if they invest in the Fund, they will not be able to refer a complaint against its Management Company or its Depositary to the UK's Financial Ombudsman Service (the "FOS"). Any claims for losses relating to the Management Company or the Depositary will not be covered by the Financial Services Compensation Scheme (the "FSCS"), in the event that either person should become unable to meet its liabilities to unitholders.

### **5. ACCESS TO CSSF ALTERNATIVE DISPUTE RESOLUTION SERVICE**

UK unitholders who are not satisfied with the resolution of their complaint by the Management Company or Depositary have the right to refer the matter to the CSSF in its capacity as alternative dispute resolution entity. Complaints can be made in English, and there are no costs associated with submitting a complaint. If the complaint is unsuccessful, UK unitholders will not be liable for any costs. The CSSF's decision in relation to a complaint is not binding on the UK unitholder, the Depositary or the Management Company. Further information can be found on the CSSF's website at <https://www.cssf.lu/en/customer-complaints/>. Complaints can be submitted to the CSSF through the online complaint form available on the CSSF's website, by e-mail to [reclamation@cssf.lu](mailto:reclamation@cssf.lu) or by post to:

Commission de Surveillance du Secteur Financier  
Département Juridique CC  
283, route d'Arlon  
L-2991 Luxembourg

### **6. NO ACCESS TO LUXEMBOURGISH COMPENSATION SCHEME**

A UK unitholder will not have a right to access a compensation scheme in Luxembourg in the event that either the Management Company or the Depositary should become unable to meet its liabilities to unitholders.

## **Annex – Additional information for investors in Ireland**

**This Country Supplement, dated September 11 20225, form part of, and should be read in the context of, and in conjunction with, the prospectus for the FCP dated September 11 2025 (hereinafter referred to as the ‘Prospectus’).**

The Directors of the FCP, whose names appear in the Directory section of the Prospectus, accept responsibility for the information contained in this Country Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document does not contain any untrue or misleading statement or omit any matters required to be included in it. The Directors accepts responsibility accordingly.

All capitalised terms herein contained shall have the same meaning in this document as in the Prospectus, unless otherwise indicated.

The Directors wish to inform Shareholders and prospective investors in the FCP of the following:

The FCP is a pooled investment in the form of an investment fund (fonds commun de placement (“**FCP**”), incorporated under the laws of Grand Duchy of Luxembourg in accordance with the provisions of Part I of the UCI Law and qualifies as a UCITS. The FCP was incorporated for an unlimited period on 01.09.2017.

The Central Bank of Ireland (the "Central Bank") has not approved and takes no responsibility for the contents of the Prospectus or for the financial soundness of the FCP or for the correctness of any statements made or expressed in the Prospectus.

### **FACILITIES AGENT**

The Facilities Agent for the FCP in Ireland is Zeidler Legal Services Process Outsourcing Limited, 5 Lower Mount Street, Dublin 2, Ireland, (the “**Facilities Agent**”). The Facilities Agent will provide the following services in connection with marketing the shares of the Fund in Ireland:

1. The following documents relating to the FCP will be available to shareholders for inspection without charge, during regular business hours at the registered office of the Facilities Agent.
  - (i) the Prospectus, as amended;
  - (ii) Key Information Document in accordance with the PRIIPs Regulation (“PRIIPs-KIID”)
  - (iii) the most recent annual and half-yearly reports of the Fund;

(iv) the Articles of Incorporation.

2. The Facilities Agent will carry out the following tasks:

- (i) It will provide information on how a redemption request can be made and how redemption proceeds will be paid.
- (ii) It will provide further information about the Fund and the relevant dealings procedures if requested.
- (iii) It will forward any complaints received to the Head Office and/or the Complaints Handling Officer of the FCP.

The name of the FCP and the name and address of the Facilities Agent will be placed by the Central Bank of Ireland on a list of collective investment schemes marketing in Ireland which will be made available to the public on request.

### **Taxation**

Investors and prospective investors in the FCP should seek their own professional advice as to the tax consequences before investing in share in the FCP. Taxation law and practice, and the levels of taxation may change from time to time.