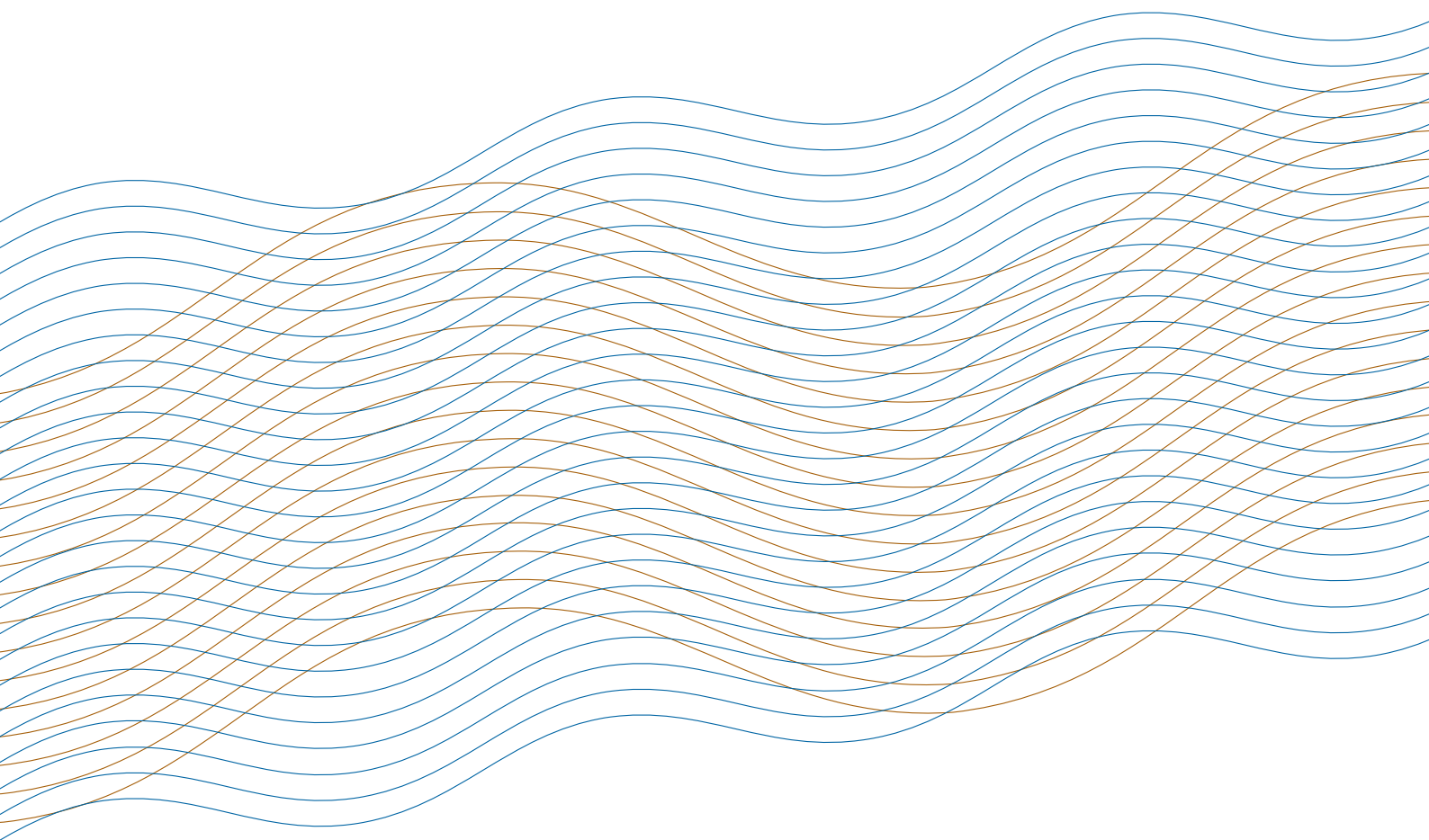


# ACATIS FAIR VALUE MODULOR VERMÖGENSVERWALTUNGSFONDS

Sales Prospectus including Management Regulations



CAPITAL MANAGEMENT COMPANY

**ACATIS**

CUSTODIAN

Hauck Aufhäuser Lampe Privatbank AG,  
Luxembourg Branch

As at: 1 January 2025

## **Notes for investors with reference to the United States of America**

The distribution of units in the United States of America (USA) or to US citizens is excluded. For example, natural persons are considered to be US citizens if they

- a) were born in the United States or any of its territories,
- b) are naturalised citizens (or green card holders),
- c) were born abroad as the child of a citizen of the USA,
- d) without being a citizen of the USA, reside predominantly in the USA,
- e) are married to a US citizen or
- f) are taxable in the USA.

Also considered US citizens are:

- a) companies and corporations formed under the laws of any of the 50 US states or the District of Columbia,
- b) a company or partnership formed under an Act of Congress,
- c) a pension fund established as a US trust or
- d) a company that is taxable in the USA.

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## **MANAGEMENT**

### **MANAGEMENT COMPANY**

#### **ACATIS Investment Kapitalverwaltungsgesellschaft mbH**

Mainbuilding  
Taunusanlage 18  
D-60325 Frankfurt am Main  
Germany

Equity as at 1 January 2025: EUR 10,000,000.00

Other funds managed by the Management Company:

An overview of the investment funds managed by ACATIS Investment Kapitalverwaltungsgesellschaft mbH is available at the registered office of the Management Company. Furthermore, interested persons can also find information on the website [www.acatis.de](http://www.acatis.de).

#### **Management Board of the Management Company (management body):**

**Dr Claudia Giani-Leber**  
**Dr Hendrik Leber**  
**Thomas Bosch**

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

## **DEPOSITARY**

#### **Hauck Aufhäuser Lampe Privatbank AG, Luxembourg Branch**

1c, rue Gabriel Lippmann L- 5365 Munsbach

## **TRANSFER AGENT**

#### **Hauck & Aufhäuser Fund Services S.A.**

1c, rue Gabriel Lippmann L-5365 Munsbach

#### **UCI administrator**

#### **Universal-Investment-Gesellschaft mbH**

Theodor-Heuss-Allee 70  
D-60486 Frankfurt am Main, Germany

And

#### **Hauck & Aufhäuser Fund Services S.A.**

1c, rue Gabriel Lippmann, L-5365 Munsbach

**PAYING AGENT**

**Hauck Aufhäuser Lampe Privatbank AG, Luxembourg Branch**  
1c, rue Gabriel Lippmann L-5365 Munsbach

**DISTRIBUTOR**

**ACATIS Investment Kapitalverwaltungsgesellschaft mbH**  
mainBuilding  
Taunusanlage 18  
D-60325 Frankfurt am Main

**Auditor of the Fund**

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

**Auditor of the Management Company**

GAR Gesellschaft für Aufsichtsrecht und Revision mbH Wirtschaftsprüfungsgesellschaft  
Stichlingstraße 1  
60327 Frankfurt am Main, Germany

## THE FUND

The investment fund described in this Sales Prospectus is an umbrella fund (*fonds commun de placement à compartiments multiples*) established under Luxembourg law and consisting of securities and other assets. It was established under Part II of the Luxembourg Law of 20 December 2002 on undertakings for collective investment (the "Law of 2002") under the name Acatis Modulor College Fonds.

With effect from 2 May 2011, it was converted to Part I of the Luxembourg Law of 20 December 2002 on undertakings for collective investment (the "Law of 2002") and complies with the requirements of the amended Directive of the Council of the European Communities No. 85/611 EEC of 20 December 1985.

With effect from 8 February 2012, it was amended to comply with the provisions of Part I of the Luxembourg Law of 17 December 2010 on undertakings for collective investment, as amended ("Law of 2010"), and with the requirements of the Directive of the Council of the European Communities No. 2009/65/EC of 13 July 2009, last amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 ("Directive 2009/65/EC"). As of 1 January 2013, the Fund was renamed ACATIS Fair Value Modulor Vermögensverwaltungsfonds.

The following Management Regulations, which entered into force on 1 January 2022 and whose filing with the Luxembourg Trade and Companies Register ("Trade and Companies Register") has been disclosed in the Recueil électronique des Sociétés et Associations ("RESA"), form an integral part of the ACATIS Fair Value Modulor Vermögensverwaltungsfonds ("Fund").

## THE MANAGEMENT OF THE FUND

The Management Company of the Fund is ACATIS Investment Kapitalverwaltungsgesellschaft mbH ("Management Company"). The Fund is managed by the capital management company ACATIS Investment Kapitalverwaltungsgesellschaft mbH, founded on 13 June 1994 and with its registered office in Frankfurt am Main, Germany. ACATIS Investment Kapitalverwaltungsgesellschaft mbH is a capital management company within the meaning of the KAGB in the legal form of a limited liability company (GmbH). The Company has been authorised to manage securities investment funds since 2017. The Company possessed prior authorisation to operate as a financial services institute as per the German Banking Act ("Kreditwesengesetz"). The Company is authorised to manage investment assets as per the UCITS Directive based on the German Investment Code ("Kapitalanlagegesetzbuch"), in force since 21 July 2013. The Company is authorised as a UCITS management company for cross-border services (EU passport) to provide administration, management and distribution in Luxembourg.

The Management Company complies with the requirements of the amended Council Directive 2009/65/EC on the coordination of legal and administrative requirements relating to undertakings for collective investment in transferable securities.

The Management Company is responsible for the administration and management of the Fund. It may exercise for the account of the Fund all management and administrative measures and all rights directly or indirectly connected with the Fund assets or the sub-fund assets.

The Management Company shall act honestly, fairly, professionally and independently of the Depositary and solely in the interests of investors when carrying out its duties.

The Management Company shall perform its obligations with the diligence of a paid agent.

In addition to the Fund described in this Prospectus, the Management Company currently manages the following investment funds: ACATIS Datini Valueflex Fonds, ACATIS IfK Value Renten, ACATIS Value Event Fonds, ACATIS Aktien Global Fonds, ACATIS Global Value Total Return, ACATIS AI Global Equities, ACATIS AI US Equities, ACATIS Asia Pacific Plus Fonds, ACATIS QILIN Marco Polo Asien Fonds, ACATIS Medici Fonds, ACATIS Aeon Global Fonds und ACATIS CHAMPIONS SELECT.

The Management Company may engage the services of an investment advisor / fund manager to manage the assets of the sub-fund concerned under its own responsibility and control. The Investment Advisor / Fund Manager shall be paid for the services rendered either out of the Management Company's management fee or directly out of the sub-fund assets. The percentage amount, calculation and payout are listed for the sub-fund concerned in the relevant Annex to the Sales Prospectus.

The investment decision, the placing of orders and the selection of brokers are reserved exclusively for the Management Company, insofar as no fund manager has been assigned to manage the sub-fund assets.

The Management Company is entitled to outsource its own activities to third parties while maintaining its own responsibility and control. The delegation of tasks shall in no way impair the effectiveness of supervision by the Management Company. In particular, the delegation of tasks must not prevent the Management Company from acting in the interests of investors.

Agent Domiciliataire: ACATIS Investment Kapitalverwaltungsgesellschaft mbH, with its Luxembourg ISIN, the fund remains in Luxembourg for tax purposes

Only the Depositary or the paying agents are authorised to receive customer funds.

## The Depositary

Hauck Aufhäuser Lampe Privatbank AG, Luxembourg Branch, with its registered office at 1c, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 175937, has been appointed as Depositary of the Fund by way of a written agreement. The Depositary is a branch of Hauck Aufhäuser Lampe Privatbank AG, Kaiserstr. 24, D-60311 Frankfurt am Main, a German credit institution with a full banking licence within the meaning of the German Banking Act (KWG) and within the meaning of the Luxembourg Law of 5 April 1993 on the financial sector (in its most recent version). It is entered in the Commercial Register of the District Court of Frankfurt am Main under the number HRB 108617. Both Hauck Aufhäuser Lampe Privatbank AG and its Luxembourg Branch are supervised by the German Federal Financial Supervisory Authority (BaFin). Hauck Aufhäuser Lampe Privatbank AG, Luxembourg Branch is also subject to the Commission de Surveillance du Secteur Financier (CSSF) with regard to liquidity, money laundering and market transparency.

All duties and responsibilities of the Depositary shall be performed by the Branch. Their function is governed in particular by the Law of 2010, CSSF Circular 16/644, the Depositary Agreement and the Sales Prospectus. As Paying Agent, it is charged with the obligation to pay out any distributions as well as the redemption price on redeemed units and other payments.

The Depositary may delegate the performance of its task of safekeeping financial instruments and other assets to another company ("sub-custodian") in accordance with Article 3 of the Management Regulations. A corresponding overview of any appointed sub-custodians will be made available on the Depositary's website (<https://www.hauck-aufhaeuser.com/impressum-2>).

The Management Company has not been notified by the Depositary of any conflicts of interest in connection with the sub-custody.

The Depositary shall act independently, honestly, fairly, professionally and in the interests of the Fund and its investors when performing its duties. This obligation is reflected in particular in the duty to carry out and organise the activities as Depositary in such a way that potential conflicts of interest are largely minimised. The Depositary shall not perform any duties in relation to the Fund or the Management Company acting on behalf of the Fund which could create conflicts of interest between the Fund, the investors in the Fund, the Management Company and itself, except where there is a functional and hierarchical separation of the performance of its duties as Depositary from its potentially conflicting duties and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the investors of the Fund.

The duties of the Management Company and Depositary may not be performed by a single company.

Potential conflicts of interest may occur if the Depositary delegates individual custodian tasks or the sub-custodian function to another outsourcing company. If this other outsourcing company is a company affiliated with the Management Company or the Depositary (e.g. Group parent company), potential conflicts of interest may occur in the cooperation between this outsourcing company and the Management Company or Depositary (e.g. the Management Company or the Depositary may prefer to assign a company it is affiliated with over other similar providers when it comes to allocating custodian tasks or choosing the sub-custodian). Should such a conflict of interest or any other conflict of interest in connection with the sub-custody be identified in the future, the Depositary will disclose the detailed circumstances and measures taken to prevent or minimise the conflict of interest in the document available under the aforementioned link.

Likewise, conflicts of interest may arise if the Depositary performs administrative tasks in accordance with Annex II, second indent of the Law of 17 December 2010, e.g. duties of the Register and Transfer Agent. In order to manage these potential conflicts of interest, the area of responsibility is separated divisionally from the depositary function.

The Management Company and the Depositary have in place adequate and effective measures (e.g. procedural instructions and organisational measures) to ensure that potential conflicts of interest are largely minimised. If conflicts of interest cannot be prevented, the Management Company and the Depositary shall identify, manage, monitor and disclose such conflicts in order to prevent damage to investors' interests. Compliance with these measures is monitored by an independent compliance function.

The Management Company has received the above information on conflicts of interest in connection with the sub-custody from the Depositary. The Management Company has checked this information for plausibility. However, it has to rely on the information provided by the Depositary and cannot verify its accuracy and completeness in detail. The list of sub-custodians above is subject to change at any time. Updated information regarding the Depositary, its sub-custodians and any conflicts of interest of the Depositary arising from the delegation of the Depositary function are available upon request from the Management Company or the Depositary.

The assets of all sub-funds are held in custody by the Depositary within its network of depositaries.

**Bank deposits, if any, held with credit institutions other than the Depositary may not be protected by a deposit protection device.**

## **The OGA administrator**

The UCI administrator of the fund is divided into three main functions: The NAV calculation and accounting function, the client communication function and the registrar function. For the Fund, the UCI administrator function is performed by the following two companies.

The UCI administrator of the Fund is Universal-Investment-Gesellschaft mbH with its registered office at Theodor-Heuss-Allee 70, D-60486 Frankfurt am Main, Germany and Hauck & Aufhäuser Fund Service S.A. with its registered office at 1c, rue Gabriel Lippmann, L-5365 Munsbach, Luxembourg.

Universal-Investment-Gesellschaft mbH is responsible for the following two main tasks:

The NAV calculation and accounting function: the accounting function, which is responsible for the accurate and complete recording of transactions. To ensure that the Fund's balance sheets and records comply with applicable legal, regulatory and contractual requirements and relevant accounting standards. The UCI administrator is also responsible for the calculation and preparation of the net asset value of the Fund in accordance with the applicable regulations.

Client communication: Client communication comprises the preparation and transmission of mandatory pre-contractual documents to investors.

Hauck & Aufhäuser Fund Service S.A. is responsible for the following main tasks:

Registrar: The function of the registrar comprises all tasks required to maintain the unit register of the fund. The receipt and execution of orders for the subscription and redemption of units and the distribution of income.

## **THE ETHICS COMMITTEE**

When it comes to the selection of ethical investments by the Fund, support may be provided by an independent ethics committee, which may consist of representatives of business, church, medicine and science. The members of the ethics committee act as a strategic advisor and monitoring body for compliance with the ethical and sustainability criteria of the Fund and can make recommendations in this regard. The costs for this committee can be reimbursed from the fund assets and are not expected to exceed a maximum of EUR 10,000.

## **SUSTAINABILITY ADVISOR**

The sustainability advisor for the ACATIS Fair Value Modulor Vermögensverwaltungsfonds is ACATIS Fair Value Investment AG, based in Walzenhausen, Switzerland.

The sustainability advisor is responsible for the sustainability process and its continuous development with regard to exclusion criteria, sustainability filters and selection procedures. It regularly provides the asset manager with a universe analysed in accordance with the sustainability process for investment.

The sustainability advisor continuously monitors the sustainability universe and reacts when controversies arise.

## **RISK RATING BY THE MANAGEMENT COMPANY**

The Management Company shall assign a corresponding risk profile to the funds or sub-funds it manages. This is done on the basis of the relevant investment policy combined with the investment objectives. The "GENERAL RISK INFORMATION" set out in the Sales Prospectus also applies to the relevant sub-fund.

The risk profiles are expressly not to be understood as an indication of possible returns. The classification may be adjusted by the Management Company if necessary. This leads to an adjustment of the sales documents.

### **Risk profile – "Defensive"**

The Fund is particularly suitable for investors who only accept low risks and also want to achieve returns in the short maturity spectrum. Due to the investment policy combined with the investment objectives, the investor is prepared to accept capital losses depending on the extent of the possible fluctuations in value. The investor's investment horizon should be more short-term.

The Management Company endeavours to minimise the risks through the number and diversification of the investments of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

### **Risk profile – "Moderate"**

The Fund is particularly suitable for investors who accept moderate risks and also want to participate in moderate returns over the short to medium term. Due to the investment policy combined with the investment objectives, the investor is prepared to accept capital losses depending on the extent of the possible fluctuations in value. The investor's investment horizon should be short to medium-term.

The Management Company endeavours to minimise the risks through the number and diversification of the investments



of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

#### **Risk profile – “Income-oriented”**

The Fund is particularly suitable for investors who accept increased risks and also want to participate in potentially higher returns over the medium to long term. Due to the investment policy combined with the investment objectives, the investor is prepared to accept increased capital losses in the short term depending on the extent of fluctuations in the value of the sub-fund's investments. The investor's investment horizon should be medium to long-term.

The Management Company endeavours to minimise the risks through the number and diversification of the investments of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

#### **Risk profile – “Opportunity-oriented”**

The Fund is particularly suitable for investors who accept high risks and also want to participate in potentially high returns over the long term. Due to the investment policy combined with the investment objectives, the investor is prepared to accept high capital losses in the short term depending on the extent of fluctuations in the value of the sub-fund's investments. The investor's investment horizon should be long-term.

The Management Company endeavours to minimise the risks through the number and diversification of the investments of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

#### **Risk profile – “Speculative”**

The Fund is particularly suitable for investors who accept very high risks and also want to participate in very high potential returns over the long term. Due to the investment policy combined with the investment objectives, the investor is prepared to accept very high capital losses in the short term depending on the extent of fluctuations in the value of the sub-fund's investments. The investor's investment horizon should be long-term.

The Management Company endeavours to minimise the risks through the number and diversification of the investments of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

## **THE LEGAL POSITION OF THE UNITHOLDERS**

The Management Company shall invest the fund assets in its own name and for the joint account of the unitholders in accordance with the principle of risk diversification in securities and other permissible assets. The capital provided and the assets acquired with it constitute the fund assets, which are held separately from the Management Company's own assets.

Unitholders participate in the fund assets as co-owners in the amount of their units.

Each sub-fund shall be regarded as a separate investment fund in the relationship between the unitholders. The rights and obligations of the unitholders of one sub-fund are separate from those of the unitholders of the other sub-funds. In relation to third parties, the assets of a sub-fund shall only be liable for liabilities and payment obligations relating to that sub-fund.

The Management Company draws unitholders' attention to the fact that any unitholder may only assert his/her rights in their entirety directly against the Fund if the unitholder is himself/herself registered in his/her own name in the Fund's unitholder register. In cases where a unitholder has invested in a fund through an intermediary which undertakes the investment in its name but on behalf of the unitholder, not all rights can necessarily be enforced directly by the unitholder against the Fund. Unitholders are advised to obtain information about their rights.

## **INVESTMENT OBJECTIVES OF THE FUND**

The aim of the investment policy is to achieve a sustainable increase in the value of the investment funds contributed by the customers. In order to achieve its investment objective, the Fund invests its assets in securities worldwide which take the principle of “sustainability” into account. The issuers are not subject to any geographical restrictions with regard to their registered office.

However no assurance can be given that the aforementioned objectives of the investment policy will be achieved.

In order to achieve its investment objective, the Fund shall invest its assets in issuers which are selected with particular regard to sustainability (in particular high standards of corporate, social and environmental responsibility (“ESG”) and environmental sustainability) and which contribute to at least one of the UN Sustainable Development Goals (“UN SDGs”). For this purpose, the fund management analyses issuers based on a proprietary “ESG and sustainability methodology”. Each issuer is analysed in the course of a four-stage process with regard to its ESG performance and its contribution to

the 17 UN Sustainable Development Goals (SDGs). The basis for this analysis is relevant data and information used, processed and assessed by Moody's ESG Solutions as well as internal and public sources. Only issuers for which an appropriate data basis exists or for which an individual sustainability rating has been prepared are assessed within the framework of the sustainability methodology.

At the beginning, each issuer is analyzed to determine whether there is a violation of the UN Global Compact or the ILO core labor standards (e.g. abusive child labor, forced labor, violation of human rights also in the supply chain), whether there are violations of defined exclusion criteria with 0% tolerance (e.g. fossil fuels and strategic armaments). In a further step, the areas in which the respective issuer generates its sales are taken into account. The issuer may not generate more than 5% sales in defined areas, such as nuclear energy, alcohol, tobacco, gambling or pornography. The next step is to look at the ESG score of the issuer. The determination of the ESG score is based on the assessment of environmental (E), social (S) and corporate (G) characteristics. The relevance of the assessed characteristics is influenced by the sector to which the issuer belongs. The issuer must not fall below a defined ESG score. The ESG score may not be taken into account if the investment product demonstrably and fully has positive sustainability impacts and does not violate the exclusion criteria defined in the sustainability process. In a final step, the ESG and sustainability methodology assesses issuers on their contribution to the UN's 17 Sustainable Development Goals. Here, each issuer must make a positive contribution to at least one SDG.

With regard to the sustainability assessment of states and supranational organisations, in addition to various ethical exclusion criteria (e.g. possession of nuclear weapons, existence of the death penalty, lack of ratification of the UN Convention on Biodiversity), the "degree of freedom" of states is also taken into account. For the assessment of the "degree of freedom" of a state, the fund management relies on the assessments of Freedom House. Freedom House ranks the "degree of freedom" of a state, based on extensive analysis, on a scale from 1 (freest) to 7 (least free). No investments are made in "non-free" states according to Freedom House's assessment methodology.

The Fund Manager considers the evolution of the results of the ESG and sustainability methodology outlined from existing investments on an ongoing basis. Negative changes in invested assets may, depending on the change, result in a reduction of the sub-fund's holding or a complete disinvestment of the relevant investment. In doing so, the Fund Manager will ensure that such dispositions are always made with the best interests of the investors in mind.

In addition, the Fund Manager continuously monitors existing investments for emerging and pending controversies that are not compliant with the ESG and sustainability methodology. If such controversies arise, the ethics committee can be entrusted with the independent assessment of the situation and, if necessary, make a recommendation.

In selecting the various individual stocks, after taking into account the sustainability methodology, the Fund pursues a value approach, i.e. it attempts to determine the "fair" or "appropriate" price of a security ("intrinsic value") on the basis of business data and the economic environment of a company.

Further information on how the ESG and sustainability methodology works, how it is integrated into the investment process, the selection criteria and the ESG and sustainability guidelines can be found on the website <https://www.acatis.de/nachhaltigkeit-1>.

To this end, the Management Company intends to offer investors a selection of sub-funds (the "sub-funds") which invest in units of undertakings for collective investment (hereinafter referred to as "target UCIs", "target funds" or as "investment funds"), shares, certificates and other securities and eligible assets.

The rights of investors who have subscribed to the Fund through a financial intermediary may be affected if compensation is paid in connection with errors in the net asset value or non-compliance with the investment regulations applicable to the Fund or the relevant sub-fund.

The sub-funds may differ in particular based on their investment focus. Units of the following sub-funds are currently offered:

## **1. INVESTMENT POLICY OF THE SUB-FUND ACATIS Fair Value Modulor Vermögensverwaltungsfonds Nr.1**

This sub-fund is a financial product aiming at sustainable investments, without using an index as a benchmark, and qualifies under Article 9(2) of Regulation (EU) 2019/2088 on sustainability-related disclosure requirements in the financial services sector.

The sub-fund will invest at least 80% of its net assets in assets of issuers that comply with the ESG and sustainability methodology set out in the section "Investment objectives of the Fund". In order to attain the sustainable investment objective, the sub-fund may also use derivatives (for example in the course of a CO<sub>2</sub> neutralisation of the portfolio).

The Fund shall take into account, through the selection process, the principal adverse impacts of investment decisions on sustainability factors as set out in Annex 1, Table 1 of Delegated Regulation (EU) 2022/1288. More details can be found in the Annex "Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852".

The principle of “avoidance of significant adverse effects” applies only to those investments underlying the sub-fund that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining part of the sub-fund do not take into account the EU criteria for environmentally sustainable economic activities.

By tapping into as many, ideally uncorrelated, sources of income as possible, the ACATIS Fair Value Modulator Vermögensverwaltungs fonds Nr. 1 sub-fund aims to achieve an optimum risk/return ratio over the long term. Investments can be made directly or indirectly in investment instruments.

In accordance with the principle of risk diversification, the sub-fund may invest globally, including in emerging markets, shares, REITS, bonds, participation certificates and in certificates which include financial indices, shares, interest rates and foreign currencies as underlying assets, as well as in certificates or other permitted underlying assets (which reflect the performance of an underlying asset on a 1:1 basis and which are officially listed or traded on stock exchanges or other regulated markets which are recognised, open to the public and operate in an orderly manner – “regulated markets”). Within the framework of its investment policy, the sub-fund will invest at least 25% of its assets in equity investments in accordance with Article 4(1)(i) of the Management Regulations.

Up to 10% of the sub-fund's net assets may be invested in units of investment funds in accordance with Article 4 of the Management Regulations below.

In addition, the sub-fund may invest in other eligible assets in accordance with Article 4 of the Management Regulations below.

No securities lending or repurchase agreements are used in the implementation of the investment policy. Furthermore, no total return swaps or other assets with similar characteristics will be acquired for the sub-fund. In the event of a change in the investment policy in terms of the aforementioned instruments, the Sales Prospectus will be accordingly amended in line with Directive 2015/2365/EU of the European Parliament and of the Council of 25 November 2015.

For hedging purposes and efficient portfolio management, the sub-fund may use derivatives, certificates with embedded derivative components (discount, bonus, leverage, knock-out certificates, etc.) as well as other techniques and instruments in accordance with Article 4(6) of the Management Regulations. If these techniques and instruments relate to the use of derivatives within the meaning of Article 4(1)(g) of the Management Regulations, the relevant investment restrictions of Article 4 of the Management Regulations must be taken into account. Furthermore, the provisions of Article 4(7) concerning risk management procedures for derivatives shall be observed.

Within the framework of OTC transactions, the Management Company may accept collateral in the form of bank deposits made available to reduce the counterparty risk. Certain currencies are determined for each counterparty for this purpose, which are exchanged. Non-cash collateral is not accepted.

The collateral may be realised at any time without reference to or approval from the counterparty. The cash collateral received is valued without a risk discount.

The extent of the collateralisation will be 100%, taking into account the minimum transfer amount.

Cash collateral received from the counterparty under OTC transactions will only be fully invested in one or a combination of the following assets:

- high-quality government bonds;
- money market funds with a short maturity structure as defined in the CESR guidelines on a Common Definition of European Money Market Funds (CESR 10-049);
- as demand deposits with legal entities referred to in Article 50(1)(f) of Directive 2009/65/EC

The issuer and counterparty limits from Article 4(3) of the Management Regulations shall apply analogously to the investment of cash collateral. The investment of the cash collateral may expose the sub-fund to counterparty default risk, interest rate risk or market risk, among other things.

The counterparty of the OTC transactions does not influence the portfolio management, i.e. the selection is solely at the discretion of the Management Company.

Explanation of how certificates work:

Certificates are mostly listed debt instruments. The price development of certificates depends on the development of the underlying asset and the contractual arrangement. The price of the certificate can develop more strongly, less strongly, equally strongly or completely independently of the price of the underlying asset. Depending on the contractual arrangement, there may be a total loss of value.

Detailed information on the investment limits can be found in Article 4 of the Management Regulations below. The sub-fund is set up for an indefinite period.

## RISK PROFILE OF ACATIS Fair Value Modulor Vermögensverwaltungsfonds Nr.1

### Risk profile – “Opportunity-oriented”

The Fund is particularly suitable for investors who accept high risks and also want to participate in potentially high returns over the long term. Due to the investment policy combined with the investment objectives, the investor is prepared to accept high capital losses in the short term depending on the extent of fluctuations in the value of the sub-fund's investments. The investor's investment horizon should be long-term.

The Management Company endeavours to minimise the risks through the number and diversification of the investments of the Fund.

However, no assurance can be given that the objectives of the investment policy will be achieved.

### MONITORING OF THE OVERALL RISK

#### Global exposure:

To monitor market risk, the global exposure is calculated using a relative value-at-risk approach.

#### Benchmark assets:

A combination of two indices is used as benchmark assets. These two indices are composed as follows:

1.) 80% of the benchmark consists of an equity index with the following profile:

- The index provides access to the world's leading companies in terms of environmental, social and governance criteria.
- The index is composed of three ESG sub-indices focussing on Environmental Leaders, Social Leaders and Governance Leaders.
- The index is calculated in EUR and is focussed on sustainability.

2.) 20% of the reference assets are a fixed-income index with the following profile:

- Global government bonds, covered bonds and corporate bonds with maturities of at least one year and investment grade rating.
- The bonds included are broadly diversified in terms of their maturity, rating and country of origin.
- The index is calculated in USD and there is broad diversification in terms of the maturities of the individual bonds.

#### Leverage:

It is expected that the leverage caused by the use of derivatives and other financial products with derivative components will amount to up to 200% of the fund volume. Depending on the market situation, however, the leverage value is subject to fluctuations, which means that the expected value may be exceeded in the short term. The leverage value is monitored daily by the Management Company.

#### Note on leverage calculation:

The calculation is based on the sum of the notional amounts as set out in Boxes 24 and 25 of ESMA Guideline 10-788.

#### Sustainability risks:

Key risk indicators can be used to assess sustainability risks. The risk indicators can be quantitative or qualitative in nature and are geared towards environmental, social and governance aspects and serve to measure the risk of the aspects under consideration.

### GENERAL RISK INFORMATION

Investing in units of a fund involves risks – e.g. share, interest rate, credit and liquidity risks. Before investing in units of the sub-fund concerned, investors should therefore carefully read the risk information described below together with the other information in the Sales Prospectus and the Management Regulations and take it into account when making their investment decision.

When investing in the sub-funds, it should be noted that experience has shown that they can be subject to strong price fluctuations with possible opportunities and risks for the investor. Due to various risk parameters and influencing factors, this can lead to corresponding price gains or price declines within the sub-fund for the investor. Possible risk parameters and influencing factors for the Fund are. However, the investor's risk is limited to the amount invested. The list of risks listed below in connection with an investment in the units of the sub-fund concerned is not exhaustive. The order in which the risks are listed does not imply the probability of their occurrence, nor the significance of occurrence of individual risks.

Possible risk parameters and influencing factors for the sub-fund concerned are:

## **Fund investment risks**

### Fluctuation of the unit value

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

### Impact of taxation issues on the individual result

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

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

The Management Company may amend the Management Regulations with the approval of the CSSF. The Management Company may also change the investment strategy within the legally and contractually permitted range of investments without changing the Management Regulations or having them approved by CSSF.

### Suspension of unit redemption

The Management Company may temporarily suspend the redemption of units in the event of extraordinary circumstances which appear to make such suspension necessary in the interests of the unitholders. Extraordinary circumstances in this case may be, for example, economic or political crises, an exceptional number of redemption requests in accordance with Article 9(2) of the Management Regulations as well as the closure of stock exchanges or markets, trade restrictions or other factors which impact the calculation of the net asset value per unit. Moreover, CSSF may instruct the Management Company to suspend the redemption of units if this is deemed necessary in the interests of the unitholders or the public. During such periods, unitholders are not allowed to redeem their units. During periods when the redemption of units is suspended, the net asset value per unit may also fall – e.g. if the Management Company is forced to sell assets at less than their market value during this time. The net asset value per unit after the resumption of unit redemption may be lower than before the suspension.

The suspension of unit redemption may be immediately followed by the liquidation of the Fund, without the resumption of unit redemption, if, for example, the Management Company terminates the management of the Fund in order for it to be liquidated. Unitholders may then be subject to the risks of not being able to achieve their planned holding period and not having access to substantial portions of the invested capital for an indefinite period.

### Dissolution or merger of the Fund or sub-fund

The Management Company shall have the right to dissolve the Fund or sub-fund at any time at its sole discretion. Furthermore, the Management Company may merge the Fund or sub-fund with another fund or sub-fund managed by it or by another management company. This means that the unitholders incur the risk of being unable to complete their planned holding period. If the Fund units are removed from the securities account of the unitholder after termination of the liquidation procedure, the unitholder may become subject to income tax.

### Risks resulting from the range of investments

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

### Performance risk

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

## **Risks of the performance of the sub-funds or from the investment spectrum**

### General market risk

The assets in which the Management Company invests on behalf of the sub-fund(s) offer opportunities for an increase in value but are also exposed to risk. When a sub-fund invests directly or indirectly in securities and other assets, it is exposed to general trends and tendencies in the markets, particularly in the securities markets, due to a variety of factors, some of which are irrational. Losses may occur if the market value of the assets decreases in comparison to the cost price. If the unitholder sells units of the sub-fund at a time when the prices of assets in the sub-fund are lower than when they were acquired, he will not get back all the capital he has invested in the sub-fund. Although any sub-fund will aim to increase value, this cannot be guaranteed. However, the investor's risk is limited to the amount invested. Investors are not obliged to provide any funding in addition to the capital invested.

### Price change risk of equities

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

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

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

### Interest rate risk

When investing in fixed-income securities, there is the possibility that the market interest rate at the time a security is issued might change. If the current interest rate increases as against the interest at the time of issue, fixed-income securities will generally decrease in value. Conversely, if the market interest rate falls, the price of fixed-income securities will increase. These developments mean that the current yield of fixed-income securities roughly corresponds to the current interest rate. However, such fluctuations can have different consequences, depending on the (residual) maturity of fixed-income securities. Fixed-income securities with short maturities bear lower price risks than those with long maturities. On the other hand, fixed-income securities with shorter maturities generally have smaller yields than those with longer maturities.

### Risks in connection with target funds (UCITS / UCI)

The risks entailed by target funds acquired for the sub-fund are closely linked to the risks associated with the assets held in these sub-funds and/or the investment strategies pursued by them. However, such risks can be mitigated by diversifying the assets held in the target funds whose units are acquired, and by diversification within the sub-fund. Since the fund managers of the individual target funds act independently of each other, it is possible for several target funds to act according to the same or opposing investment strategies. This may result in existing risks accumulating and possible opportunities cancelling each other out.

It is not normally possible to control the management of target funds. Their investment decisions do not necessarily have to conform to the assumptions or expectations of the Management Company or the Fund Manager. The current composition of the target funds is often not announced in a timely manner. In case the allocation does not meet the Management Company's assessments or expectations, it might only be able to react with a considerable delay by redeeming units of the target funds.

Target funds, units of which are acquired for the sub-fund, may also temporarily suspend the redemption of units. In this case, the Management Company or the Fund Manager would be prevented from disposing of the units in the target fund by returning them to the Management Company or Depositary of the target fund against payment of the redemption price.

In the case of investments in target funds, an issuing surcharge and redemption fee may also be charged at the level of the target funds. In general, the acquisition of units in target funds may result in the levying of a management fee at the level of the target fund. This can lead to a double cost burden.

#### Risks in connection with debt instruments on assets not included in the sub-fund's assets

The risks of debt instruments (certificates, structured products, etc.) acquired for the sub-fund and referenced to assets not contained in the fund assets as underlying assets are closely related to the specific risks of these underlying assets or investment strategies pursued by these underlying assets under certain circumstances, such as commodities as underlying assets (see, for example, "Risks in connection with units in target funds (UCITS / UCI)" below). However, the aforementioned risks can be reduced by diversifying the assets within the sub-fund.

#### Special risks when investing in certificates

When investing in certificates, there is the risk that, even if they are listed on a stock exchange or traded on a regulated market, no regulated market price of these certificates is available due to a certain illiquidity. This is increasingly the case if the certificates are held to a significant extent by the sub-fund and in the case of OTC transactions. In order to counteract the associated valuation risk, the Management Company may, at its own discretion, refer to the valuation by an independent market maker. Furthermore, it cannot be excluded that higher discounts to the actual price have to be accepted when selling certificates for the aforementioned reasons. In addition, certificates are subject to a counterparty risk (see paragraph Counterparty risk).

#### Risks from the use of derivatives

For sub-funds using financial derivative instruments, there can be no assurance that the performance of the derivative financial instruments will have a positive impact on the sub-fund and its unitholders. The leverage effect of derivatives may result in a greater impact – both positive and negative – on the value of the sub-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. In contrast to conventional securities, the value of the net sub-fund assets can be influenced to a far greater degree, both positively and negatively, due to the associated leverage effect. Financial futures contracts that are used for a purpose other than hedging are also associated with considerable opportunities and risks, as only a fraction of the contract size (margin) has to be paid immediately in each case. Price changes can therefore lead to significant gains or losses within the sub-fund's assets. This may increase the risk and volatility of the sub-fund.

#### Risks associated with OTC transactions

The sub-fund may in principle enter into OTC market transactions (in particular derivatives) (provided this is mentioned in the [sub-fund-specific] investment policy). These are over-the-counter individual agreements. In OTC markets, transactions are less regulated than on an organised exchange. OTC derivatives are executed directly with the counterparty and not through a recognised exchange or settlement agent. Counterparties in OTC derivatives do not enjoy the same protection as on recognised exchanges (e.g. performance guarantee of a settlement agent). By concluding OTC transactions, the sub-fund is exposed to the risk that the contracting party may not fulfil its payment obligation at all, or may fulfil it incompletely or late (counterparty risk). In addition, investments in OTC derivatives may be exposed to the risk of different valuations due to different valuation methods. Furthermore, unlike exchange-traded derivatives, which have standardised contractual terms, OTC derivatives generally proceed through negotiations with the other party. There is therefore a risk that the parties may not agree on the interpretation of the contractual terms (legal or documentation risk).

This may have an impact on the performance of the relevant sub-fund and may result in the partial or total loss of an unrealised gain.

#### 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 a sub-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 associated with currencies

Where a sub-fund directly or indirectly holds assets denominated in foreign currencies, it will be exposed to currency risk (to the extent that foreign currency positions are not hedged). Any depreciation of the foreign currency against the base currency of the sub-fund will cause the value of the assets denominated in foreign currency to decrease.

Unit classes whose currency is not the sub-fund currency may therefore be subject to a different currency risk. This currency risk can be hedged against the sub-fund currency in individual cases.

#### Concentration risk

Additional risks may arise if investments are concentrated in certain assets or markets. In these cases, events affecting these assets or markets may have greater effects on the Fund's assets, so proportionately greater losses may be incurred for the Fund's assets than in the case of a more widely diversified investment policy. If a sub-fund holds only a limited number of securities and is considered concentrated, the value of the sub-fund may fluctuate more than a diversified sub-fund holding a larger number of securities. The selection of securities in a concentrated portfolio may also result in sectoral and geographical concentration. For sub-funds with geographical concentration, the value of the sub-fund may be more vulnerable to adverse economic, political, currency, liquidity, tax, legal or regulatory events affecting the relevant market.

#### Risk of negative interest rates

For the investment of liquid assets of the sub-fund with the Depository or other credit institutions, an interest rate corresponding to international interest rates less a certain margin is generally agreed. If these interest rates fall below the agreed margin, this will lead to negative interest rates on the corresponding account. Depending on the development of the central banks' interest policy, short, medium and long-term bank deposits may have a negative interest rate.

#### Company-specific risk

The price performance of securities held directly or indirectly by a sub-fund is also dependent on company-specific factors, such as the issuer's business situation. If the company-specific factors deteriorate, the market value of the security concerned can fall significantly and permanently, regardless of any otherwise generally positive stock market development.

#### Risk associated with smaller companies

Shares in smaller companies can be less liquid and more volatile than the shares of companies with higher market capitalisations and tend to be associated with comparatively higher financial risk.

#### Risk associated with the exclusion of securities/assets

The exclusion from a sub-fund's portfolio of companies that do not meet certain criteria (e.g. social or sustainability factors) or that are not considered socially responsible may result in the sub-fund performing differently from similar sub-funds that do not have such policies.

#### Hedging risk

The sub-fund may take measures designed to offset certain risks. These may not function properly, may at times be impractical or may fail completely. The sub-fund may use hedging in its portfolio to mitigate currency, duration, market or credit risks and, in relation to certain unit classes, to hedge the currency risk or effective duration of the unit class. Hedging involves costs that reduce the performance of the investment.

#### Downgrade risk

A sub-fund may invest in investment grade bonds and hold them after a subsequent downgrade to avoid distress selling. To the extent that the sub-fund holds such downgraded bonds, there is an increased risk of default, which in turn involves the risk of loss of capital to the sub-fund. Investors should note that the return or unit value of the sub-fund (or both) may fluctuate.

#### Risks in conjunction with the investment in emerging markets

Various risks are associated with the possible investment in target funds and/or securities from emerging markets. These mainly relate to the rapid economic development process that these countries are partly going through, and in this context no assurance can be given that this development process will also continue in the coming years. In addition, these are lower capitalisation markets that tend to be volatile and less liquid. Other factors (such as political changes, exchange rate changes, stock exchange control, taxes, restrictions on foreign capital investments and capital returns, etc.) may also affect the marketability of the stocks and the resulting returns.

Furthermore, these companies may be subject to much less state supervision and less differentiated legislation. Their accounting and auditing are not always up to local standards.

### **Liquidity risks**

#### Liquidity risk

The liquidity of a sub-fund may be affected by various factors which may result in the sub-fund being temporarily unable to process redemption requests and even in exceptional situations may result in a decrease in the assets of the sub-fund and therefore in liquidation under the conditions determined by law. Liquidity risks may arise, for example, if liquid securities are difficult to sell under certain market conditions, although the sub-fund may in principle only invest in instruments that can be sold at any time without high price discounts. It can therefore not be ruled out that the transaction volume may be subject to significant price fluctuations depending on the market situation. In the event of increased buy and sell orders from investors, the sub-fund may also be forced to buy or sell assets at less favourable terms than planned in order to maintain the sub-fund's liquidity, which may also have a negative impact on the sub-fund's assets.

#### Risk associated with borrowing

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

#### Risks during public holidays in specific regions/countries

The sub-fund may make investments in different regions/countries. The local public holidays in these regions/countries can lead to discrepancies between the trading days on stock exchanges in these regions/countries and valuation dates of the sub-fund. It is possible that on a day that is not a valuation day, the sub-fund cannot react to market developments in the regions/countries on the same day or that on a valuation day that is not a trading day in those regions/countries, it cannot trade on the market there. As a result, the sub-fund may be prevented from selling assets within the required time. This may adversely affect the sub-fund's ability to comply with redemption requests or other payment obligations.



## **Operational and other risks to the sub-funds**

### Risks through numerous redemptions or subscriptions

Unitholders' buying and selling orders add liquidity to or remove liquidity from the sub-fund's assets. These inflows and outflows may result in a net inflow or outflow from the sub-fund's liquid assets after netting. This net inflow or outflow may prompt the Management Company / Fund Manager to buy or sell assets, thus resulting in transaction costs. This applies, in particular, if a quota for liquid assets stipulated by the Management Company for the sub-fund is exceeded or fallen below as a result of the inflows and outflows. The resulting transaction costs are charged to the sub-fund's assets and may affect the performance of the sub-fund. In the case of inflows, increased liquidity may adversely affect the sub-fund's performance if the Management Company cannot invest the funds under adequate conditions.

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

The sub-fund may fall victim to fraud or other criminal acts. It may suffer losses due to misunderstandings or mistakes by employees of the Management Company or external third parties, or be harmed by external events such as natural disasters.

### Counterparty default risk, counterparty risk

The sub-fund conducts transactions through or with brokers, clearing houses, counterparties and other agents. The sub-fund is therefore subject to the risk that this counterparty may default on its obligations due to insolvency, bankruptcy or other causes. Counterparty default risk (credit risk) generally involves the risk of the party to a reciprocal contract defaulting on its own claim, although the consideration has already been paid. This applies to all contracts entered into on behalf of the sub-fund. Alongside the general trends of the capital markets, the specific developments of the particular issuers will also affect the price of a security. Even when the utmost care is exercised in selecting the securities, for example, it cannot be ruled out that losses may be incurred due to the financial collapse of issuers. Losses incurred through the financial collapse of an issuer have an impact depending on the extent to which this issuer's securities are held in the sub-fund.

### Cyber risk notice

The Management Company and its service providers may be vulnerable to operational and information security compromise through cyber security incidents and related risks. In general, cyber security incidents can be the result of intentional attacks or unintentional events by third parties. Cyber attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g. by "hacking" or using malware) for the purpose of stealing assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks can also be carried out by other means – i.e. without gaining unauthorised access – such as preventing access to services on websites (i.e. attempts to cripple web services so that they are no longer available to their intended users). Cyber security incidents that impact affected persons may cause disruptions and affect business operations, potentially resulting in financial losses, including, among other things, preventing a sub-fund from calculating its net asset value, impeding the execution of trades for a portfolio of the sub-fund, preventing unitholders from executing transactions with the sub-fund, violating applicable data protection, data security or other laws, resulting in fines and penalties imposed by supervisory authorities, reputational damage or the cost of refunds, other compensation or remediation, legal fees or costs associated with other compliance requirements. Similar adverse consequences may result from cyber security incidents which may adversely affect issuers of securities in which a sub-fund invests, counterparties with whom a sub-fund trades, governmental and other supervisory authorities, stock exchanges and other financial market participants, banks, stockbrokers and dealers, insurance companies and other financial institutions and other parties. Information risk management systems and contingency plans may have been designed with the purpose of reducing cyber security risks. Nevertheless, cyber security risk management systems or contingency plans are inherently subject to limitations, including the possibility that certain risks cannot be identified or have not been identified. In addition, the cyber security plans and systems of the Management Company's service providers or the issuers of securities in which a particular sub-fund invests are beyond the control of the Management Company.

### Country/regional and sector risk

The value of the sub-fund's assets may also be adversely affected by unforeseeable events such as international political developments, changes in the policies of countries, restrictions on foreign investment and currency repatriation as well as other developments and applicable laws or regulations. If a sub-fund focuses on certain countries, regions or sectors as part of its investment, this reduces risk diversification. Consequently, the sub-fund is particularly dependent on the development of individual or interlinked countries and regions or the companies based and/or operating in these, as well as on the general development and the development of corporate profits in individual sectors or mutually influencing sectors.

### Legal and political risks

Investments may be made for the sub-fund in jurisdictions where Luxembourg law does not apply, or where the competent court for disputes is outside Luxembourg. The resulting rights and obligations of the Management Company on behalf of the Fund may be less advantageous to a sub-fund and/or unitholders than those in Luxembourg. Political or legal developments, including changes to the legal framework in these jurisdictions, might be identified by the Management Company either too late or not at all, or result in restrictions on the admissible assets for acquisition, or on assets already acquired. Such situations may also be brought about by changes in the legal framework relating to the Management Company and/or the management of the Fund prevalent in Luxembourg.

### Key person risk

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

#### Custody risk

The custody of assets is associated with the risk of loss, which may result from insolvency, breach of the duty of care, or the improper conduct of the Depository or of a sub-depository.

#### Settlement risk

Securities transactions carry the risk that one of the contracting parties may not act promptly, does not pay as agreed or does not deliver the securities or does not deliver them in good time.

This settlement risk also exists in the case of the reversal of collateral for the Fund.

### **Sustainability risks**

#### Sustainability risks of assets

As a matter of principle, the Fund Manager makes investment decisions taking sustainability risks into account. Sustainability risks can arise from environmental and social influences on a potential asset as well as from the corporate governance of the issuer of an asset.

Sustainability risk can either represent a separate type of risk or have an amplifying effect on other types of risk relevant to the sub-fund, such as market risk, liquidity risk, credit risk or operational risk, and in this context can sometimes make a significant contribution to the overall risk of the sub-fund.

If sustainability risks occur, they can have a significant impact – up to and including a total loss – on the value and/or return of the assets concerned. These effects on an asset may adversely affect the return of the sub-fund.

The aim of the Fund Manager's consideration of sustainability risks is to identify the occurrence of these risks as early as possible and to take appropriate measures to minimise the impact on the affected assets or the overall portfolio of the sub-fund.

The sustainability aspects that may have a negative impact on the sub-fund's return are divided into environmental, social and governance aspects (hereinafter "ESG"). While environmental aspects include, for example, climate protection, social aspects include, for example, compliance with workplace safety requirements. Consideration of compliance with workers' rights and data protection are among the components of the governance aspects. In addition, aspects of climate change are also considered, including physical climate events or conditions such as heat waves, rising sea levels and global warming.

#### Issuer-specific risk in connection with sustainability

The risks associated with ESG aspects can have a negative impact on the market price of an investment of an asset.

The market value of financial instruments issued by companies that do not comply with ESG standards and/or (also) do not commit to implementing ESG standards in the future may be negatively affected by materialising sustainability risks.

These influences on the market value can be caused, for example, by reputational damage and/or sanctions; other examples are physical risks and transition risks caused, for example, by climate change.

#### Operational risks related to sustainability

The sub-fund or the Management Company may suffer losses due to environmental disasters, socially induced aspects relating to employees or third parties, as well as due to failures in corporate governance. These events can be caused or exacerbated by a lack of attention to sustainability issues.

## **CONFLICTS OF INTEREST**

The following conflicts of interest may arise in the management of the Fund. The interests of investors could conflict with the following interests:

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

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

- Incentive schemes for directors or employees of the Management Company, other companies within the Management Company's group or external companies contractually entrusted with services to facilitate collective portfolio management
- Personal transactions involving assets held in the fund managed by the Management Company by directors or employees of the Management Company or directors or employees of companies that have been contractually entrusted by the Management Company with services to facilitate collective portfolio management

- Transactions between the Management Company and the investment funds or individual portfolios managed by the Management Company or transactions between investment funds and/or individual portfolios managed by the Management Company
- Block trades
- Frequent trading
- Setting the cut-off time
- IPO allocations
- Transfer of one or more functions to another company
- Exercise of voting rights from the shares belonging to the funds of ACATIS Datini Valueflex Fonds
- Duties of the Depositary
- The interests of investors who wish to withdraw their investments and investors who wish to continue investing in the Fund
- Defining objectives when managing investments, investing in illiquid assets and the redemption principles of the Fund.

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

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

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

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

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

- Setting up a remuneration system that does not provide any incentive to place personal interests above those of the investment funds managed by the Management Company or of investors and customers
- Investment advisor and asset management partners are contractually bound to avoid conflicts of interest
- Rules on personal transactions, which are continuously monitored by the Compliance department, and a blacklist which prohibits personal transactions involving certain assets in order to counter potential conflicts of interest
- Rules on disclosing and dealing with accepting and granting donations
- Continuous monitoring of the transaction frequency within investment funds managed by the Management Company, in order to prevent said investment funds from being redeployed to the detriment of investors
- Implementing measures to prevent boosting fund performance near cut-off dates (window dressing) in investment funds managed by the Management Company
- Not engaging in transactions on its own account with investment funds managed by the Management Company or individual portfolios, and conducting transactions between different investment funds managed by the Management Company merely to achieve better trading results, without adversely affecting any of the investment funds involved ACATIS Datini Valueflex Fonds
- Multiple orders (block trades) are combined on the basis of a uniform allocation principle
- Investors shall be notified when closely affiliated companies or persons (particularly shareholders) are appointed to act as, for example, asset managers, advisors, brokers or the Depositary
- Taking internal measures to monitor the adverse market impact on the Fund as a result of major individual investments
- Prohibiting managing directors and employees of the Management Company from engaging in frequent trading by establishing rules on personal transactions and monitoring the investment funds managed by the Management Company
- Agreeing cut-off times with the depositaries to counteract speculation against the investment funds managed by the Management Company
- Standardised internal allocation principles for IPO allocations
- Delegating one or more functions to other companies so as to broaden the range of services provided by the Management Company
- Voting rights within the Fund's portfolio are exercised on the basis of recommendations of a neutral external investment advisor in accordance with the analysis guidelines of BVI Bundesverband Investment und Asset Management e.V.
- The Fund's Depositary acts independently of the Management Company and is contractually bound to act exclusively in the interests of investors
- The interests of investors who wish to recover their investments and those who wish to keep investing in the Fund are taken into account during internal liquidity management

- The same applies with regard to conflicts between defining objectives when managing investments, investing in illiquid assets and the redemption principles of the Fund.

## PERFORMANCE

An overview of the performance of the sub-fund is set out in the *Key Investor Information Document*.

## UNITS

Units in the ACATIS Fair Value Modulor Vermögensverwaltungsfonds are units in the sub-fund.

## THE ISSUE OF UNITS

Fund units of the aforementioned sub-funds are issued at the issue price, which is composed of the unit value and, if applicable, the sales commission shown in the overview. If stamp duties or other charges are incurred in a country in which units are issued, the issue price shall be increased accordingly.

The Management Company is empowered to issue new units on a continuous basis. However, the Management Company reserves the right to temporarily or permanently suspend the issue of units within the framework of the provisions of the Management Regulations printed below; in this case, payments already made shall be immediately refunded.

Units may be purchased from the Management Company, the Depositary and the paying agents referred to in this Sales Prospectus.

**The times specified in the provisions of the Management Regulations shall determine the acceptance times for subscription applications.**

## REQUIREMENTS FOR COMBATING MONEY LAUNDERING AND THE FINANCING OF TERRORISM

In accordance with international regulations and Luxembourg laws and regulations, including but not limited to the Law of 12 November 2004 on the fight against money laundering and financing of terrorism, the Grand-Ducal Regulation of 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and CSSF Circulars 13/556 CSSF 15/609 CSSF 17/650 and CSSF 17/661 on the fight against money laundering and financing of terrorism and any amendments or succession plans thereto, all obligated parties must prevent undertakings for collective investment from being misused for money laundering and terrorist financing purposes. The Management Company or its delegate may request from an applicant any document it deems necessary to establish the applicant's identity. The Management Company (or its delegate) may also request any other information it requires to comply with applicable legal and regulatory requirements, including, without limitation, the CRS and FATCA laws.

Should an applicant submit the requested documents late, not at all or incompletely, the subscription application will be rejected. In the case of redemptions, incomplete documentation may lead to a delay in the payment of the redemption price. The Management Company is not responsible for the late settlement or default of a transaction if the applicant has submitted the documents late, not at all or incompletely.

Investors may be required by the Management Company (or its delegate) from time to time to provide additional or updated documentation relating to their identity in accordance with applicable laws and regulations relating to its obligations to continuously monitor and control its customers. If these documents are not provided immediately, the Management Company shall be obligated and entitled to block the Fund units of the investors concerned.

In order to implement Article 30 of Directive (EU) 2015/849 of the European Parliament and of the Council, the 4th EU Money Laundering Directive, the Law of 13 January 2019 on the establishment of a register of beneficial owners was adopted. Registered legal entities must report their beneficial owners to the register established for this purpose.

Investment companies and investment funds, among others, are designated by law as "registered legal entities" in Luxembourg.

The beneficial owner within the meaning of the Law of 12 November 2004 is, for example, any natural person who holds more than 25% of the shares of a legal entity or controls it in any other way.

Depending on the specific situation, this could lead to the end investors of the Investment Company or Investment Fund also having to be reported to the register of beneficial owners with their names and other personal details. The following data of a beneficial owner can be consulted free of charge by anyone on the website of the "Luxembourg Business Registers" as of 1 September 2019: Surname, first name(s), nationality(ies), date and place of birth, country of residence and nature and extent of economic interest. Only in exceptional circumstances

may public inspection be restricted following a case-by-case assessment for which a fee is charged.

## THE UNIT VALUE CALCULATION

To calculate the unit value, the value of the assets less the liabilities (“net fund assets”) is determined on each valuation day in accordance with the provisions of the Management Regulations and divided by the number of units in circulation and rounded to two decimal places.

Further details on the calculation of the unit value are set out in the Management Regulations, in particular in Article 7 thereof.

## REDEMPTION AND EXCHANGE OF UNITS

Unitholders are entitled to request the redemption or exchange of their units at any time through one of the paying agents, the Depositary or the Management Company at the redemption price specified in the Fund's Management Regulations. Applications for the exchange of units may be submitted to the Registrar and Transfer Agent only in the form of orders for amounts.

**The times specified in the provisions of the Management Regulations shall be decisive for determining the acceptance times for redemption applications.**

## APPROPRIATION OF INCOME AND OTHER PAYMENTS

The appropriation of income is determined for each unit class of the sub-fund concerned.

Provided that income of the unit class concerned may in principle be distributed, the provisions of Article 11 of the Management Regulations shall apply.

Any distributions on Fund units shall be made through the paying agents, the Depositary or the Management Company. The same applies to any other payments to the unitholders.

## PUBLICATIONS AND CONTACTS

The valid issue and redemption prices of the units and all other information intended for the unitholders can be obtained at any time from the registered office of the Management Company, the Depositary and the paying agents and distributors.

The Sales Prospectus and Management Regulations, as amended, as well as the annual and semi-annual reports, are also available there and the Articles of Association of the Management Company may also be viewed. The *Key Investor Information Document* can be downloaded from the Management Company's website at the following address: [www.acatis.de](http://www.acatis.de). Furthermore, a paper copy will be provided by the Management Company or distributors upon request.

The valid issue and redemption prices shall be published on the website of the Management Company **Error! Hyperlink reference not valid.** and may also be published in a national daily newspaper or an online medium.

Other important information to unitholders is generally published on the Management Company's website (**Error! Hyperlink reference not valid.**). In addition, a publication in a Luxembourg daily newspaper is also placed in Luxembourg in cases prescribed by law.

Investors may contact the Management Company in writing and electronically with any questions, comments and complaints. Information on the complaints procedure is available free of charge on the website of the Management Company **Error! Hyperlink reference not valid.**

## COSTS

For the management of the Fund and its sub-funds, the Management Company shall receive a fee from the net sub-fund assets, the amount, calculation and payment of which are set out in the following section “ACATIS Fair Value Modulator Vermögensverwaltungsfonds at a glance”.

The Depositary receives an annual fee from the net sub-fund assets, the amount of which is also shown in the following overview “ACATIS Fair Value Modulator Vermögensverwaltungsfonds at a glance”.

The aforementioned fees shall be determined and paid in accordance with the provisions of each sub-fund.

In addition, the Management Company or the Depositary may be reimbursed for other expenses in addition to the costs in connection with the acquisition and disposal of assets from the Fund's assets, which are listed in the Fund's Management Regulations.

The aforementioned costs are also listed in the annual reports.

Furthermore, the further costs pursuant to Article 14 of the Management Regulations may be charged to the sub-fund's assets.

## REMUNERATION POLICY

The Company is subject to the prudential requirements that are applicable to capital management companies as regards the structuring of its remuneration system. The Company has detailed the characteristics in a remuneration policy that aims to ensure a sustainable remuneration system that avoids misplaced incentives to take excessive risks. At least once a year, the Management Company's remuneration committee checks the appropriateness of the Management Company's remuneration system as well as its compliance with all the legal rules. The incentives structure for ACATIS employees is synchronised with the interests of ACATIS customers. Management and employee remuneration consists of a fixed salary, plus variable remuneration components that are agreed with employees on an annual basis. As motivational components, variable remuneration makes a key contribution towards achieving the company's objectives. There are two remuneration groups: All investment fund managers receive a share of performance-based remuneration generated by ACATIS from asset management activities (including funds). Payment is made shortly after the end of the fiscal year, establishing a direct link with the successful results which ACATIS customers have achieved with the company. The bonus can be zero, or it can be several multiples of an annual salary. There is no upper limit on the figure. Sales employees receive a share of the increase in inventory-based income. Generated by ACATIS from asset management activities (including funds). The basis for assessing employees is largely identical; specific entitlements result from length of time at the company and, if present, region-specific factors. The bonus can be zero, or it can be several multiples of an annual salary. Managers are covered by this variable remuneration arrangement. Their salary corresponds to the payment conditions typical of the market and the institute's location. In certain cases, employees from other departments can be paid a suitable performance-related bonus. Further details concerning the Management Company's current remuneration policy are published on the website <https://www.acatis.de>.

## TAXATION OF FUND ASSETS AND INCOME

The income of the Fund and its sub-funds is not taxed in the Grand Duchy of Luxembourg. However, they may be subject to any withholding or other taxes in countries in which the sub-fund's assets are invested. Neither the Management Company nor the Depositary will obtain individual or collective receipts for such taxes from unitholders. The Fund's assets are subject to a *taxe d'abonnement* in the Grand Duchy of Luxembourg of currently at most 0.05% p.a. This *taxe d'abonnement* is payable quarterly on the relevant net assets of the Fund as reported at the end of each quarter.

As of 10 November 2015, the Council of the European Union adopted Directive (EU) 2015/2060 repealing the EU Savings Directive (Directive 2003/48/EC). As a consequence, full tax transparency has been in place within the EU since 2018 and the EU withholding tax became obsolete from that date. Luxembourg applies the automatic exchange of financial account information in this context. Until the EU Savings Tax Directive was repealed, all Member States of the European Union were obligated to provide the competent authorities of the Member States with information on interest and equivalent payments made in the Member State providing the information to a person resident in another Member State. However, some states were allowed to levy a withholding tax for a transitional period instead.

Prospective investors should keep regularly informed of the taxes applicable to the acquisition, holding and disposal of units and to distributions under the laws of their country of citizenship, residence or domicile before subscribing for units. Investors should consult their tax advisor regarding the implications of their investment in the sub-funds under the tax law applicable to them, in particular the tax law of the country in which they are resident or domiciled.

## AUTOMATIC EXCHANGE OF INFORMATION – OECD COMMON REPORTING STANDARD (CRS)

The OECD has developed a Common Reporting Standard ("CRS") to address the problem of tax evasion to offshore jurisdictions on a global scale. Based on this standard, participating countries have committed themselves by means of a multilateral treaty under international law and in the European Union by means of an administrative assistance directive to exchange financial information of persons resident abroad for tax purposes. Domestic financial institutions are therefore legally obligated to automatically report identified reportable accounts of foreign taxpayers to the Luxembourg tax authorities on an annual basis on the basis of the joint due diligence and reporting procedure.

The Grand Duchy of Luxembourg implemented the CRS with the Law of 18 December 2015 on the automatic exchange of financial information in the field of taxation.

The collection of data in the context of the exchange of information may also include information relating to sub-funds. The Management Company is therefore required to comply with the due diligence and reporting procedures under the CRS as provided for in the Luxembourg Implementation Law of 2015.

Investors may therefore be required to provide additional information to the Management Company or an appointed third party to enable the Management Company or a third party to comply with its obligations under the CRS. Failure to provide requested information may result in the investor being liable for taxes, fines or other payments. The Management Company reserves the right to perform a compulsory redemption of the units of this investor.

## **FATCA – Foreign Account Tax Compliance Act**

Sections 1471 to 1474 of the US Internal Revenue Code of 1986, as amended (FATCA), impose reporting requirements and a possible 30% withholding tax obligation (“FATCA Withholding Tax”) on payments:

- to all non-US financial institutions (each a foreign financial institution, or “FFI”, unless it is a “Participating FFI”, i.e. FFIs that
  - enter into a contractual arrangement with the Internal Revenue Service (“IRS”) to provide the IRS with certain information regarding its account holders or investors or
  - are not otherwise exempt from the FATCA provisions or
  - have the status of a deemed-compliant FFI or
- to investors (recalcitrant holders) who are not otherwise exempt from the FATCA provisions and who do not provide sufficient information to determine
  - whether these investors are “US persons” or
  - whether they should otherwise be treated as holders of a corresponding “US account”.

The FATCA withholding tax regime applies to payments originating from sources within the United States and may come into effect at a later (currently undefined) date for foreign passthru payments. The United States has entered into intergovernmental agreements (“IGAs”) with numerous other countries to facilitate the implementation of the FATCA requirements. Under FATCA and the Model 1 and Model 2 IGAs, an FFI in an IGA signatory country may be treated as a “reporting FI” or, in the case of various exempt legal entities, a “non-reporting FI” and would therefore not be subject to withholding tax on payments it makes or receives. Under both IGA models, a reporting financial institution is always required to report certain information regarding its account holders or investors either to the authorities of its country of residence or to the IRS.

The United States and the Grand Duchy of Luxembourg signed an intergovernmental agreement on 28 March 2014 (the “Luxembourg IGA”) based largely on the “Model 1” IGA. The regulations of the Luxembourg IGA were transposed into national law by the Law of 24 July 2015. The Management Company expects that the Fund will be treated as a reporting financial institution under the rules of the Luxembourg IGA and that accordingly, in principle, no FATCA withholding tax will be required to be withheld on payments made by the Fund in relation to its units. However, such an obligation cannot be ruled out entirely. However, payment in excess of the FATCA withholding tax withheld should be excluded.

Investors may be required to provide additional information to the Management Company or an appointed third party in order to enable the Management Company or a third party to comply with its obligations under the FATCA Regulations.

The above description of the extremely complex FATCA regime is based on the existing regulations, the official guidelines, the IGA models as well as the Luxembourg IGA. All of these documents are subject to change. Prospective investors should consult their own tax advisors as to how these rules are relevant to any payments they might receive in connection with an investment in the fund units. In addition, other tax regimes of the United States or its local authorities may apply in certain circumstances which are not discussed in this section.

**ACATIS Fair Value Modulor Vermögensverwaltungsfonds AT A GLANCE**  
**SUB-FUND ACATIS Fair Value Modulor Vermögensverwaltungsfonds Nr.1**

<b>Fund and sub-fund formation:</b>	12 January 2007
<b>Initial subscription date:</b> (for unit classes A, I, S existing at the time of the Fund's establishment)	12 January 2007
<b>Initial issue price (plus sales commission)<sup>1</sup>:</b>	
Unit class A	EUR 100
Unit class B	EUR 100
Unit class I	EUR 10,000
Unit class S	EUR 1,000
Unit class V	EUR 100
Unit class CHF-I	CHF 100
Unit class X	EUR 100
<b>Initial issue date:</b> (for unit classes A, I, S existing at the time of the Fund's establishment)	12 January 2007
<b>Sales commission:</b> (in % of the unit value for the benefit of the intermediary)	
Unit class A	Up to 5%
Unit class B	Up to 5%
Unit class I	Up to 0.50%
Unit class S	Up to 0.50%
Unit class V	None
Unit class CHF-I	Up to 0.50%
Unit fund X	None
<b>Exchange commission:</b>	None
<b>Redemption commission:</b>	None
<b>Minimum investment<sup>2</sup>:</b>	
Unit class A	None
Unit class B	None
Unit class I	EUR 100,000
Unit class S	EUR 10,000
Unit class V	EUR 5,000,000
Unit class CHF-I	CHF 100,000
Unit class X	None
<b>Savings plans:</b>	None on the part of the Management Company Investors can obtain additional information from their custodian bank
<b>Withdrawal plans:</b>	None on the part of the Management Company Investors can obtain additional information from their custodian bank.
<b>Management fee (in % of the net sub-fund assets):</b>	
Unit class A	Up to 1.900% p.a.
Unit class B	Up to 1.900% p.a.
Unit class I	Up to 1.300% p.a.
Unit class S	Up to 1.000% p.a.
Unit class V	Up to 1.450% p.a.
Unit class CHF-I <sup>3</sup>	Up to 1.650% p.a.
Unit class X	Up to 1.300% p.a.

<sup>1</sup> On 1 January 2013, the unit price of unit classes A and B was divided at a ratio of 1:100, while the unit price of unit classes I and S was divided at a ratio of 1:10.

<sup>2</sup> In exceptional cases, the Management Company may permit subscriptions that deviate from the minimum investment indicating without providing reasons.

<sup>3</sup> The provision is formed in EUR.



For the management of the sub-fund, the management company receives a fee based on the net assets of the sub-fund, which is calculated and paid quarterly in retrospect at the end of each month. The calculation of the fee is based on the average net asset value of the investment fund in the accounting period, which is calculated from the values of each valuation day.

**Depository fee (in % of the net sub-fund assets):**

<b>Unit class A</b>	Up to 0.08% p.a.
<b>Unit class B</b>	Up to 0.08% p.a.
<b>Unit class I</b>	Up to 0.06% p.a.
<b>Unit class S</b>	Up to 0.06% p.a.
<b>Unit class V</b>	Up to 0.06% p.a.
<b>Unit class CHF-I<sup>5</sup></b>	Up to 0.06% p.a.
<b>Unit class X</b>	Up to 0.06% p.a.

For its tasks, the depository receives a fee from the net assets of the subfund, which is calculated and paid quarterly in retrospect at the end of each month. The calculation of the depository fee is based on the average net asset value of the investment fund in the accounting period, which is calculated from the values of each valuation day. It is exclusive of any value-added tax.

**Performance fee (in favour of the Fund Manager):**

<b>Unit classes A, B, I, S, CHF-I and X:</b>	Up to 5%
<b>Unit class V:</b>	None

<b>Distributor fee:</b>	None
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<b>Total effective cost burden (in % of net sub-fund assets)</b>	Reported in the annual report of the Fund
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<b>Performance:</b>	Reported in the Key Investor Information Document (KIID)
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<b>Sub-fund currency:</b>	EUR
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<b>Unit class currency:</b>	
<b>Unit class A</b>	EUR
<b>Unit class B</b>	EUR
<b>Unit class I</b>	EUR

<sup>4</sup> The Management Company may, at any time and at its own discretion, refrain from charging the minimum fee per unit class in whole or in part without giving any reasons.

<sup>5</sup> The provision is formed in EUR.

<b>Unit class S</b>	EUR
<b>Unit class V</b>	EUR
<b>Unit class CHF-I</b>	CHF
<b>Unit class X</b>	EUR
<b>Bank working day:</b>	Any day which is both a bank working day and a trading day in Luxembourg and Frankfurt am Main
<b>Valuation day:</b>	Each bank working day (as defined above)
<b>Financial year end:</b>	31 December, for the first time 31 December 2007
<b>Semi-annual report:</b>	30. June
<b>Annual report:</b>	31. December
<b>The first report was an unaudited semi-annual report in/on:</b>	30 June 2007
<b>Closing date for subscriptions and redemptions: Payment of issue and redemption price:</b>	4 p.m. Within two bank working days
<b>Unit denomination:</b>	Book entry registered
<b>Use of income:</b>	
<b>Unit class A</b>	Distribution
<b>Unit class B</b>	Accumulation
<b>Unit class I</b>	Distribution
<b>Unit class S</b>	Distribution
<b>Unit class V</b>	Accumulation
<b>Unit class CHF-I</b>	Distribution
<b>Unit class X</b>	Accumulation
<b>Stock exchange listing:</b>	Not planned
<b>Security identification number/ISIN:</b>	
<b>Unit class A</b>	A0LHCM / LU0278152516
<b>Unit class B</b>	A0MX2R / LU0313800228
<b>Unit class I</b>	A0LHCL / LU0278152862
<b>Unit class S<sup>1</sup></b>	A0LHCK / LU0278153084
<b>Unit class V<sup>2</sup></b>	A2N9ZR / LU1904802086
<b>Unit class CHF-I</b>	A2N9ZS / LU1904802169
<b>Unit class X<sup>3</sup></b>	A3DGJC / LU2451779768
<b>Price publication:</b>	Daily on the website of the Management Company ( <a href="http://www.acatis.de">www.acatis.de</a> ) or also in a national newspaper or an online medium

In addition, the Management Company shall receive an additional performance fee of up to 5% of the amount by which the unit value per unit class exceeds the high-water mark at the end of an accounting period and also exceeds the hurdle rate of 5% for the sub-fund ACATIS Fair Value Modulor Vermögensverwaltungs fonds Nr. 1 for unit classes A, B, I, S, CHF-I and X.

The accounting period shall begin on 1 January and end on 31 December of each calendar year. The first accounting period begins on 1 January 2019 and ends on 31 December 2019. An entitlement to a performance fee shall be determined on a daily basis (observation day) and shall be taken into account accordingly in the calculated unit value. A performance fee entitlement determined during the accounting period does not necessarily result in a payout at the end of the accounting period.

The first high-water mark for the accounting period 1 January 2019 to 31 December 2019 is the highest unit value for the last financial year which ended on 31 December 2018.

<sup>1</sup> Unit class S is generally reserved for foundations or non-profit organisations.

<sup>2</sup> Unit class V is generally reserved for insurance companies.

<sup>3</sup> The purchase of this unit class is reserved exclusively for market participants (e.g. banks, asset managers, fee-based advisors) who are not permitted to accept and / or collect ongoing sales or portfolio commissions due to legal or regulatory requirements or special remuneration agreements with end investors / investors. The Management Company and the Depositary reserve the right to request corresponding confirmations / evidence from the respective counterparty of the unit transaction when units are called up for this unit class.

The reference period for the high-water mark corresponds to the entire life cycle of the Fund.

If the unit value on an observation date is below the current high-water mark plus hurdle rate, the performance fee will not be calculated.

If the unit value falls below the high-water mark, positive provision amounts are reversed in favour of the unit class concerned.

A positive accrued performance fee entitlement will only be paid at the end of an accounting period if the unit value is above the high-water mark plus hurdle rate. In this case, for the next accounting period, the high-water mark will be adjusted to the unit value at the end of the previous accounting period.

Any negative provision balance accrued at the end of the accounting period is taken into account accordingly in the subsequent analysis. There is no entitlement to a refund of performance fees already paid. The payment of the performance fee shall be debited to and made in the currency of the relevant unit class as at 31 December.

This fee is subject to any value added tax which may apply.

### **Formula and example for calculating the performance of ACATIS Fair Value Modulator Vermögensverwaltungsfonds Nr.1:**

HWM t = the highest unit value of the financial year which ended on 31 December 2018

$PERF\_FEE\ t = PART * MAX(PERF_{FUND(HWM)\ t} - PERF_{HURDLE}; 0) * NAV_{DIVIDED\ BY\ t}$

If  $PERF\_FEE\ t > 0$ ,  
then  $HWM\ t+1 = AW\ t$ ,  
otherwise  $HWM\ t+1 = HWM\ t$

$PERF\_FEE\ t+1 = PART * MAX(PERF_{FUND(HWM)\ t+1} - PERF_{HURDLE}; 0) * NAV_{DIVIDED\ BY\ t+1}$

If  $PERF\_FEE\ t+1 > 0$ ,  
then  $HWM\ t+2 = AW\ t+1$ ,  
otherwise  $HWM\ t+2 = HWM\ t+1$

:

- **PERF\_FEE:** Performance fee in the currency of the unit class at the end of period t or t+1
- **PART:** participation
- **PERF<sub>FUND(HWM)</sub>:** Performance of the Fund in the period t or t+1 at the current high-water mark (HWM t) or (HWM t+1)
- **PERF<sub>HURDLE</sub>:** Hurdle rate performance of 5%
- **NAV<sub>DIVIDED BY</sub>:** Average net asset value of the unit class in the period t or t+1
- **AW t; t+1:** Unit value at the end of the period t (AW t) or t+1 (AW t+1)

### **Explanation of terms and sample calculations:**

- **Performance (Perf.) of the Fund:** The performance of the Fund is always considered over a one-year period (accounting period), beginning on 1 January and ending on 31 December of each year.
- **High-water mark (HWM):** The HWM is the unit value at the end of the period at which a performance fee was last paid. (The first HWM is the highest unit value of the financial year which ended on 31 December 2018)
- **Performance (Perf.) of the Fund to the HWM:** The performance of the Fund to the HWM is calculated in accordance with the performance of the Fund with the starting unit value for calculating the performance always corresponding to the current HWM.

- Hurdle rate performance: Performance of the hurdle rate during the accounting period.
- Outperformance to the HWM: Difference between the performance of the Fund (to the HWM) and the hurdle rate.
- Fund assets: Average daily fund assets in the period under review.
- Participation: Percentage of how much of the positive outperformance may be withdrawn from the fund as a performance fee.
- Performance fee (Perf. fee) absolute: Performance fee charged to the fund as costs in the accounting period.
- Performance fee relative: Performance fee absolute in relation to the average fund assets.

Period	HWM	Last unit value of the period	Perf. of the Fund	Perf. of the Fund (HWM)	Perf. of the hurdle rate	Outperformance (HWM)	Fund assets	Perf. fee (absolute)*	Perf. fee (relative)
					5% p.a.	Fund performance (HWM) minus hurdle rate performance		Positive outperformance multiplied by fund assets multiplied by participation	Performance fee (absolute) divided by fund assets
1st year	EUR 100.00	95.00 EUR	-5.00%	-5.00%	5.00%	-10.00%	EUR 50.0 million	-	0%
2nd year	EUR 100.00	EUR 115.00	21.05%	15.00%	5.00%	10.00%	EUR 60.0 million	EUR 300,000	0.50%
3rd year	EUR 115.00	EUR 119.60	4.00%	4.00%	5.00%	-1.00%	EUR 70.0 million	-	0%
4th year	EUR 115.00	EUR 122.59	2.50%	6.60%	5.00%	1.60%	EUR 65.0 million	EUR 52,000	0.08%
5th year	EUR 122.59	EUR 138.53	13.00%	13.00%	5.00%	8.00%	EUR 72.0 million	EUR 288,000	0.40%

\* participation is 5%

## **MANAGEMENT REGULATIONS**

### **ACATIS Fair Value Modulor Vermögensverwaltungsfonds**

The Management Regulations set out general principles for the ACATIS Fair Value Modulor Vermögensverwaltungsfonds ("Fund") and entered into force on 1 July 2023. The filing with the Luxembourg Trade and Companies Register ("Trade and Companies Register") has been disclosed in the Recueil électronique des Sociétés et Associations ("RESA").

The Management Regulations constitute the Fund's contractual terms and conditions.

#### **Article 1 THE FUND**

1. ACATIS Fair Value Modulor Vermögensverwaltungsfonds is a legally dependent special fund ("fonds commun de placement") consisting of securities and other permissible assets ("fund assets"), which is managed in compliance with the principle of risk diversification. The fund assets less the liabilities attributable to the Fund ("net fund assets") must reach at least the equivalent of EUR 1,250,000 within six months of the approval of the Fund. The Fund is managed by the Management Company. The assets held in the fund assets are held in custody by the Depositary within its network of depositaries.
2. The contractual rights and obligations of the holders of units ("unitholders"), the Management Company and the Depositary are governed by the Fund's Management Regulations, which are drawn up by the Management Company with the approval of the Depositary.

By purchasing a unit, each unitholder accepts the Management Regulations of the Fund and any approved amendments thereto.

3. The Fund may consist of one or more sub-funds within the meaning of Article 181 of the Law of 17 December 2010 on undertakings for collective investment as amended (the "Law of 2010"). The Fund is comprised of all of the sub-funds. Each investor participates in the Fund through participation in a sub-fund. The Management Company may launch new sub-funds at any time. The sub-funds are mentioned in the Sales Prospectus.
4. Each sub-fund shall be regarded as a separate investment fund in the relationship between the unitholders. The rights and obligations of the unitholders of one sub-fund are separate from those of the unitholders of the other sub-funds. In relation to third parties, the assets of a sub-fund shall only be liable for liabilities and payment obligations relating to that sub-fund.
5. The unit value is calculated separately for each sub-fund in accordance with the rules set out in Article 7 of these Management Regulations.
6. The investment restrictions set forth in the Management Regulations shall apply separately to each sub-fund with the exception of the provisions of Article 4(3)(l) of the Management Regulations. For the calculation of the minimum limit (EUR 1,250,000) for the net fund assets pursuant to Article 1(1) of the Management Regulations, the total fund assets of the Fund shall be taken into account, which result from the addition of the net sub-fund assets.

#### **Article 2 THE MANAGEMENT COMPANY**

1. The Management Company is ACATIS Investment Kapitalverwaltungsgesellschaft mbH.
2. The Management Company manages the Fund in its own name, but exclusively in the interest and for the collective account of the unitholders. The management authority extends to the exercise of all rights which are directly or indirectly connected with the assets of the Fund.
3. The Management Company shall determine the Fund's investment policy, taking into account the legal and contractual investment restrictions. The management of the Management Company may entrust one or more of its members with the execution of the daily investment policy. It may also, under its own responsibility and control and at the Fund's expense, outsource the execution of the daily investment policy to third parties, provided they are authorised or registered for the purposes of asset management and are subject to a supervisory authority. If the execution of the daily investment policy is outsourced to third parties, this will be mentioned in the Fund's Sales Prospectus. Furthermore, the Management Company shall ensure that the third parties have taken the necessary measures to comply with all the organisational and conflict of interest requirements as specified in the applicable Luxembourg laws and regulations and that they monitor compliance with these requirements.
4. The Management Company may, under its own responsibility, engage the services of investment advisors or fund managers and, in particular, obtain advice from an investment committee. The costs thereof may be charged to the Fund in accordance with the provisions of these Management Regulations and shall be mentioned in the Sales Prospectus.

5. The Management Company shall prepare a Sales Prospectus and the *Key Investor Information Document* for the Fund.

### Article 3 THE DEPOSITARY

1. Hauck Aufhäuser Lampe Privatbank AG, Luxembourg Branch, with its registered office at 1c, rue Gabriel Lippmann, L-5365 Munsbach, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B 175937, has been appointed as Depositary of the Fund by way of a written agreement. The Depositary is a branch of Hauck Aufhäuser Lampe Privatbank AG, Kaiserstr. 24, D-60311 Frankfurt am Main, a German credit institution with a full banking licence within the meaning of the German Banking Act (KWG) and within the meaning of the Luxembourg Law of 5 April 1993 on the financial sector (in its most recent version). It is entered in the Commercial Register of the District Court of Frankfurt am Main under the number HRB 108617. Both Hauck Aufhäuser Lampe Privatbank AG and its Luxembourg Branch are supervised by the German Federal Financial Supervisory Authority (BaFin). Hauck Aufhäuser Lampe Privatbank AG, Luxembourg Branch is also subject to the Commission de Surveillance du Secteur Financier (CSSF) with regard to liquidity, money laundering and market transparency. All duties and responsibilities of the Depositary shall be performed by the Branch. Their function is governed in particular by the Law of 2010, CSSF Circular 16/644, the Depositary Agreement and the Sales Prospectus. As Paying Agent, it is charged with the obligation to pay out any distributions as well as the redemption price on redeemed units and other payments.
2. When performing its duties, the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and its unitholders.
3. The Depositary shall ensure that the Fund's cash flows are subject to effective and proper monitoring. The Depositary shall ensure that all payments made by or on behalf of unitholders when subscribing for units of the Investment Fund have been received and that all of the Fund's cash is held in cash accounts in the Fund's name with the Depositary (or another credit institution).
4. The Depositary shall hold in custody or monitor all the assets of the Fund. In this respect, the Law of 2010 distinguishes between financial instruments to be held in custody and other assets, whereby the allocation is not always clear in individual cases.

For the safekeeping of financial instruments to be held in custody (e.g. securities, money market instruments, units in undertakings for collective investment), the Depositary is partly subject to different obligations and stricter liability than for the safekeeping of other assets. Financial instruments to be held in custody shall be held by the Depositary in segregated accounts. Except in a few exceptional cases, the Depositary is liable for the loss of these financial instruments, including cases where the loss was not caused by the Depositary itself, but by a third party. Other assets (that cannot be held in custody), on the other hand, are not held in securities accounts. After ensuring that they are actually owned by the Fund, records of these assets shall be kept with the Depositary. The Depositary shall be liable to the Management Company for the performance of these duties in the event of gross negligence or wilful misconduct.

For the safekeeping of the assets of whatever nature, the Depositary may appoint sub-custodians in order to comply with the conditions of the Law of 2010. The liability of the Depositary to the Management Company shall not be affected by the appointment of a sub-custodian. The names of the sub-custodians can be found on the Depositary's website under the Fund information <https://www.acatis.de/investmentfonds/fondsuebersicht>). As a matter of principle, no third party shall be entrusted with the safekeeping or monitoring of the other assets, unless expressly stipulated otherwise.

When appointing a sub-custodian for financial instruments to be held in custody, the Depositary is in particular required to verify that the sub-custodian is subject to effective supervision (including minimum capital requirements) and to a regular external audit ensuring that the assets are in its possession ("**custodian due diligence**"). These due diligence obligations must also be complied with for any legal entity in the chain of custody after the sub-custodian or third-party custodian (i.e. "correspondent").

The Depositary must also ensure that each sub-custodian segregates the assets of the Depositary's customers which are subject to joint management from its own assets and the Depositary's other assets, in particular its own assets and the assets of the Depositary's customers which are not subject to joint management.

For financial instruments to be held in custody, if the law of a non-Member State requires that certain financial instruments be held in custody at a local entity which does not meet the aforementioned monitoring requirement ("**local depositary**"), the Depositary may nevertheless instruct this local depositary only if the following legal conditions are met.

Firstly, there must be no local depositary that fulfils the aforementioned monitoring requirements.

Furthermore, the transfer of custody of financial instruments to a local depositary may only take place on the express instruction of the Management Company.

In addition, the Management Company will duly inform the investors prior to engaging this local depositary.

5. The Depositary shall be bound by the instructions of the Management Company provided that they do not conflict with the law, the Management Regulations or the Fund's Sales Prospectus as amended.

6. The Depositary shall be entitled to terminate its depositary function at any time in accordance with the contractual terms and conditions. In this case, the Management Company must dissolve the Fund in accordance with Article 12 of these Management Regulations or appoint a new depositary within two months with the approval of the competent supervisory authority. Until the appointment of a new depositary, the existing Depositary shall perform its statutory duties and functions in full in accordance with the Management Regulations.

The Management Company shall also be entitled to terminate the depositary appointment at any time in accordance with the relevant depositary agreement. This termination must result in the dissolution of the Fund in accordance with Article 12 of these Management Regulations unless, after the end of the written notice period, the Management Company has appointed another bank, with the approval of the competent supervisory authority, as depositary to take over the legal functions of the previous depositary.

#### **Article 4 GENERAL GUIDELINES FOR THE INVESTMENT POLICY**

The following general principles and restrictions of the investment policy apply in principle to all sub-funds of the Fund. The sub-funds may also stipulate additions or differences. This is mentioned in the Sales Prospectus.

The following definitions apply:

“Non-Member State”: For the purposes of these Management Regulations, a third country is any country which is not a Member State.

“Money market instruments”:

Instruments that are normally traded on the money market, are liquid and whose value can be accurately determined at any time.

“Regulated market”:

A market as defined in Article 4(14) of Directive 2004/39/EC of 21 April 2004 on markets in financial instruments (as last amended).

“Law of 2010”:

Law of 17 December 2010 on undertakings for collective investment, as amended

“Member State”:

A European Union Member State: Countries party to the Agreement on the European Economic Area within the borders of this Agreement and related legal acts shall be treated as Member States of the European Union.

“UCI”:

Undertaking for collective investment Any UCI subject to Part II of the Law of 2010 qualifies in principle as an AIF within the meaning of the Law of 12 July 2013 on alternative investment fund managers.

“UCITS”:

Undertaking for collective investment in transferable securities which is subject to Directive 2009/65/EC.

“Directive 2009/65/EC”:

Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (as amended)

“Securities”:

- Shares and other securities equivalent to shares (“shares”)
- Debt instruments and other securitised debt instruments (“debt securities”)
- All other marketable securities giving the right to acquire securities by subscription or exchange with the exception of the techniques and instruments referred to in No. 5 below.

The investment policy of the Fund is subject to the following regulations and investment restrictions. The net sub-fund assets are invested in accordance with the principle of risk diversification. The investment policy of the individual sub-funds may include investments in securities, money market instruments, fund units, derivative financial instruments and all other assets permitted under Article 4 of the Management Regulations. It may differ in particular according to the region in which the sub-funds invest, the assets to be acquired, the currency in which they are denominated or their maturity. A detailed description of the investment policy of each sub-fund is set out in the Sales Prospectus.

1. Investments of each sub-fund may consist of the following assets:

Due to the specific investment policy of the sub-funds, it is possible that various investment options among those mentioned below do not apply to the sub-fund. This is mentioned in the Sales Prospectus.

- a) Securities and money market instruments listed or traded on a regulated market;
- b) securities and money market instruments that are traded on another market in a Member State which is recognised, regulated, open to the public and operates regularly;
- c) securities and money market instruments admitted to official listing on a stock exchange in a non-Member State or traded there on another regulated market which is recognised, open to the public and operates regularly;
- d) securities and money market instruments from new issues, provided that the terms and conditions of issue contain the obligation that admission to official listing on a stock exchange or to trading on a regulated market within the meaning of the provisions set out under no. 1(a)–(c) above is applied for and that admission is obtained no later than one year after the issue;
- e) Units of UCITS authorised according to Directive 2009/65/EC and/or of other UCIs within the meaning of Article 1(2)(a) and (b) of Directive 2009/65/EC which have their registered office in a Member State or in a non-Member State, provided that
  - these other UCIs are authorised under laws which make them subject to prudential supervision which is considered by the CSSF to be equivalent to that laid down in Community law, and that there is a sufficient guarantee of cooperation between authorities;
  - the level of protection of the unitholders of the other UCIs is equivalent to the level of protection of the unitholders of a UCITS, and, in particular, the rules regarding the segregated safekeeping of fund assets, borrowing, lending and short selling of securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;
  - the business operations of the other UCIs is the subject of annual and semi-annual reports that permit an assessment of the assets and liabilities, as well as the income and transactions, over the reporting period,
  - the UCITS or these other UCIs whose units are to be acquired may, according to its Management Regulations or its formation documents, invest a total of no more than 10% of its assets in units of other UCITS or other UCIs.
- f) Sight deposits or callable deposits with credit institutions, with a term of no more than 12 months, provided that the credit institution concerned has its registered office in a Member State, or if the registered office of the credit institution is situated in a non-Member State and it is subject to prudential rules which are considered by the CSSF to be equivalent to those laid down in Community law.
- g) Derivative financial instruments, i.e. in particular options and futures as well as exchange transactions (“derivatives”), including equivalent cash-settled instruments, which are traded on one of the regulated markets referred to in letters (a), (b) and (c), and/or derivative financial instruments which are not traded on a stock exchange (“OTC derivatives”), provided that



- the underlying assets are instruments within the meaning of this No. 1. (a)–(h), financial indices (including bond, share and commodity indices which meet all the criteria of a financial index, which must, among other things, be recognised and sufficiently diversified), interest rates, exchange rates or currencies;
  - the counterparties to OTC derivative transactions are institutions subject to prudential supervision belonging to the categories approved by the CSSF,
- 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.
- h) Money market instruments which are not traded on a regulated market and which do not fall under the aforementioned definition, if the issue or the issuer of those instruments is even subject to provisions concerning the protection of deposits and investors, and provided that they are:
- issued or guaranteed by a central, regional or local authority or by the central bank of a Member State, by the European Central Bank, by the European Union or by the European Investment Bank, by a non-Member State or, in the case of a Federal State, by one of the members of the federation, or by a public international body to which at least one Member State belongs, or
  - issued by an undertaking any securities of which are dealt in on the regulated markets referred to in (a), (b) and (c); or
  - issued or guaranteed by an institution subject to prudential supervision in accordance with criteria defined by Community law, or by an institution which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by Community law; or
  - 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 indent and, insofar as this involves an issuer which is either company with equity of at least ten million euros (EUR 10,000,000), which provides and publishes its annual financial statements in keeping with the fourth 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.
- i) Equity investments within the meaning of Section 2(8) of the German Investment Tax Act. Equity investments in this sense are:
- units in corporations that are admitted to official trading on a stock exchange or admitted to or included in another organised market and which are not units in said corporations;
  - units in corporations which are domiciled in a Member State of the European Union or in another state party to the Agreement on the European Economic Area and which are subject to income taxation for corporations there and are not exempt from it;
  - units in corporations which are resident in a non-Member State and are subject to and not exempt from income taxation for corporations of at least 15% there;
  - units in other investment funds (target funds) in the amount of the quota of their value published on each valuation day on which they actually invest in the aforementioned units in corporations; if an actual quota is not published, in the amount of the minimum quota specified in the investment conditions of the other investment fund.
2. The sub-fund may furthermore:
- a) invest up to 10% of its net sub-fund assets in securities or money market instruments other than those mentioned under No. 1;
  - b) hold cash, cash equivalents and similar assets of up to 20% of its net sub-fund assets;
  - c) take out loans for short periods up to the equivalent of 10% of its net assets. These loans may be subject to a pledge or provision of collateral. Hedging transactions in connection with the sale of options or the purchase or sale of forward contracts and futures are not considered borrowing for the purposes of this investment restriction;
  - d) acquire foreign currencies in a “back-to-back” transaction.
3. In addition, the Fund will observe the following investment restrictions when investing its assets:
- a) The Fund may invest a maximum of 10% of its net sub-fund assets in securities or money market instruments of a single issuer, whereby the securities held directly in the portfolio and the underlying assets of structured products

are considered collectively. The sub-fund may invest up to 20% of its net assets in investments in a single institution. The counterparty default risk for transactions of the Fund with OTC derivatives may not exceed 10% of its net assets if the counterparty is a credit institution within the meaning of No. 1(f). For other cases, the limit is a maximum of 5% of the Fund's net assets.

- b) The total value of the securities and money market instruments of the issuers in each of which the sub-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.

Notwithstanding the individual limits laid down in No. 3(a), the Fund shall not invest more than 20% of its net sub-fund assets in a single institution, in any of the following:

- securities or money market instruments issued by that institution,
  - deposits made with that institution or
  - OTC derivatives acquired by that institution.
- c) The limit laid down in the first sentence of No. 3(a) amounts to at most 35% if the securities or money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by public international bodies to which one or more Member States belong.
- d) The limit laid down in the first sentence of No. 3(a) amounts to at most 25% for certain debt instruments if they are issued by a credit institution that has its registered office in a Member State and is subject to particular prudential supervision based on legal provisions for the protection of the holders of 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 the payment of 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 the subparagraph above which are issued by a single issuer, then the total value of these investments cannot exceed 80% of the value of the net assets of the sub-fund concerned.

- e) The securities and money market instruments specified in No. 3(c) and (d) shall not be taken into consideration when applying the investment limit of 40% that is referred to in No. 3(b).

The limits stated in No. 3(a), (b), (c) and (d) are not cumulative and therefore investments as per No. 3(a), (b), (c) and (d) 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 which belong to the same group of companies for the purposes of drawing up consolidated accounts within the meaning of Directive 83/349/EEC or according to recognised international accounting rules shall be regarded as a single issuer for the purpose of calculating the investment limits that are specified in (a)–(e).

The sub-fund may cumulatively invest up to 20% of its net assets in securities and money market instruments issued by the same group of companies.

- f) Without prejudice to the investment limits laid down in No. 3(k), (l) and (m) below, the limits laid down in No. 3(a)–(e) for investments in shares and/or debt securities of a single issuer shall not exceed 20% if the objective of the Fund's investment strategy is to replicate a specific share or debt securities index recognised by the CSSF. The prerequisite for this is that

- the composition of the index is sufficiently diversified;

- the index provides an adequate benchmark for the market to which it refers;
  - the index is published by appropriate means.
- g) The limit specified under No. 3(f) amounts to 35% if this is justified on the basis of extraordinary market conditions, and in particular on regulated markets where certain securities or money market instruments are highly dominant. Investment up to this limit is only possible with a single issuer.
- h) Without prejudice to the provisions under No. 3(a) to (e), the sub-fund may, in accordance with the principle of risk diversification, invest up to 100% of its net 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 sub-fund assets are invested in securities of a single issue.**
- i) The Fund may acquire units of other UCITS and/or other UCIs within the meaning of No. 3(e) if it does not invest more than 20% of its net sub-fund assets in a single UCITS or another UCI.

For the purpose of applying this investment limit, each sub-fund of an umbrella fund within the meaning of Article 181 of the Law of 2010 shall be considered as a separate issuer, provided that the principle of individual liability for each sub-fund in relation of third parties applies.

- j) Investments in units of UCIs other than UCITS may not exceed a total of 30% of the net assets of the relevant sub-fund.

If the sub-fund has acquired units of a UCITS and/or other UCI, the investment assets of the relevant UCITS or other UCI will not be taken into account in relation to the limits set out in No. 3(a)–(e).

When the sub-fund acquires units in other UCITS and/or other UCIs which are managed directly or indirectly by the same management company or by a company affiliated with 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 the other UCITS and/or UCIs by the Fund.

However, to the extent that the sub-fund invests in units in target funds launched and/or managed by other companies, it should be noted that sales commissions and redemption commissions may be charged for these target funds. The sales commissions and redemption commissions paid by the sub-fund are disclosed in the annual reports.

Insofar as the sub-fund invests in target funds, the sub-fund assets will be charged with fees for fund administration and fund management of the target funds in addition to the fees for fund administration and fund management of the investing fund. In this respect, double charging of fees for fund administration and fund management cannot be ruled out.

In general, the acquisition of units in target funds may result in the levying of a management fee at the level of the target fund. The sub-fund shall therefore not invest in target funds that charge a management fee of more than 3%. The Fund's annual report will contain information on the maximum percentage of the management fee to be borne by the Fund and the target funds.

- k) The sub-fund may not acquire voting shares to an extent that would enable it to exercise significant influence over the management of the issuer.
- l) Furthermore, the sub-fund may not acquire more than:
- 10% of the non-voting shares of a single issuer;
  - 10% of the debt instruments of a single issuer;
  - 25% of the units of a single UCITS or another UCI within the meaning of Article 2(2) of the Law of 2010;
  - 10% of the money market instruments of a single issuer

The 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 debt instruments or money market instruments or the net amount of the issued units cannot be calculated at the time of purchase.

- m) The above provisions according to No. 3(k) and (l) are not applicable with regard to:
- aa) securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - bb) securities and money market instruments issued or guaranteed by a non-Member State;
  - cc) securities and money market instruments issued by an international organisation under public law to which one or more Member States belong;
  - dd) shares in companies incorporated under the laws of a non-Member State, provided that (i) such a company invests its assets mainly in securities of issuers of that State, (ii) under the laws of that State, a participation by the Fund in the capital of such a company is the only possible way of acquiring securities of issuers of that State, and (iii) that company complies, in the context of its investment of assets, with the investment restrictions laid down in No. 3(a)–(e) and No. 3(i)–(l) above;
  - ee) shares held in the capital of subsidiaries only executing the business of management, advice or distribution in their country of establishment on behalf of the Fund with a view to the redemption of units at the request of unitholders.
- n) The sub-fund may not acquire commodities or precious metals, with the exception of certificates that qualify as securities and are recognised as permissible assets within the scope of administrative practice.
- o) The sub-fund may not invest in real estate, although investments in real estate-backed securities or interest thereon or investments in securities issued by companies that invest in real estate and interest thereon are permitted.
- p) No loans or guarantees for third parties may be issued to the detriment of the assets of the sub-fund, whereby this investment restriction does not prevent the sub-fund from investing its net assets in securities, money market instruments or other financial instruments within the meaning of No. 1(e), (g) and (h) above that are not fully paid up, provided that the sub-fund in question has sufficient cash or other liquid assets to be able to meet the call on the remaining deposits; such reserves may not already be taken into account within the framework of the sale of options.
- q) Short sales of securities, money market instruments or other financial instruments mentioned in No. 1(e), (g) and (h) above may not be made.

4. Notwithstanding provisions to the contrary contained herein:

- a) the sub-fund need not comply with the investment limits specified in nos. 1–3 above when exercising subscription rights attached to securities or money market instruments which it holds in its sub-fund assets.
- b) the sub-fund may deviate from the provisions set forth in No. 3(a)–(j) above for a period of six months after its admission.
- c) if these provisions are exceeded for reasons beyond the control of the Fund or as a result of subscription rights, the sub-fund must, as a priority, seek to rectify the situation in its sales transactions, taking into account the interests of its unitholders.
- d) in the case where an issuer forms a legal entity with several sub-funds, in which the assets of a sub-fund are exclusively liable to the claims of the investors of this sub-fund as well as to the creditors whose claim arose on the occasion of the formation, the term or the liquidation of the sub-fund, each sub-fund is to be regarded as a separate issuer for the purpose of applying the provisions on risk diversification in No. 3(a)–(g) as well as No. 3(i) and (j).

The Fund's Management Company is entitled to impose additional investment restrictions if this is necessary to comply with the legal and administrative provisions in countries in which the Fund's units are offered or sold.

5. A sub-fund may subscribe for, acquire and/or hold units of another sub-fund or several other sub-funds of the Fund (“target sub-funds”) on the condition that:
- the target sub-funds, for their part, do not invest in the sub-fund; and
  - the proportion of the assets which the target sub-funds may in turn invest in units of other target sub-funds of the Fund does not exceed 10% in total; and
  - the voting rights, if any, relating to the relevant units are suspended for as long as the target sub-fund units are held, without prejudice to proper accounting procedures and periodic reports; and
  - the value of these units is not included in the calculation of the net assets of the Fund for as long as these units are held by the sub-fund, insofar as the verification of the minimum net assets of the Fund as provided for by the Law of 2010 is concerned.

6. Techniques and instruments

The sub-fund may use derivatives and other techniques and instruments for hedging and efficient portfolio management, for maturity or risk management of the portfolio or for generating income, i.e. for speculative purposes.

If these transactions relate to the use of derivatives, the conditions and limits must be consistent with the provisions of Nos. 1–4 of this Article. Furthermore, the provisions of No. 7 of this Article concerning risk management procedures for derivatives shall be taken into account.

7. Risk management procedures for derivatives

Where transactions involve derivatives, the Fund shall ensure that the overall risk relating to derivatives does not exceed the total net value of its portfolio.

The calculation of the risk takes into account the market value of the underlying assets, the default risk of the counterparty, future market fluctuations, and the liquidation period of the positions. This also applies to the following paragraphs.

- As part of its investment strategy, the sub-fund may invest in derivatives within the limits set out above in No. 3(e) of this Article to the extent that the overall risk for the underlying assets does not exceed the investment limits as per No. 3(a)–(e) of this Article above. If a Fund invests in index-based derivatives, these investments shall not be considered in the investment limits as per No. 3(a)–(e) a) of this Article above must be taken into account.
- A derivative embedded in a security or money market instrument must be taken into account with regard to the investment limits in 3(e) of this Article.

The Management Company shall regularly communicate to the CSSF the types of derivatives in the portfolio, the risks associated with the underlying assets, the investment limits and the methods used to measure the risks associated with derivative transactions in relation to the Fund.

The investment restrictions referred to in this Article 4 relate in principle to the date of acquisition of the assets. If the aforementioned limits are exceeded by increases in value after the acquisition, the Management Company shall bring about a restoration of the investment restrictions while taking into account the interests of the investors.

## Article 5 UNITS

1. Units in the sub-fund shall be represented by unit certificates, if any, with accompanying income coupons, made out to the bearer, unless specified otherwise in the Sales Prospectus.
2. All units of the sub-funds generally have the same rights and are freely transferable.
3. Units are issued to the sub-fund and are made out to the bearer. They shall be issued in any denomination to be determined by the Management Company. If securitisation takes place in global certificates, there is no entitlement to delivery of actual certificates. This is mentioned in the Sales Prospectus. If the units are issued in book-entry form by transfer to securities accounts, the Management Company may issue fractions of units of up to 0.001 units.
3. The Management Company may allow several unit classes for each sub-fund for the Fund. If different unit classes are envisaged, this will also be mentioned in the Sales Prospectus.

The unit classes may differ as follows:

- a) with regard to the cost structure in terms of sales commission, redemption commission and, where applicable, distributor commission;
- b) with regard to the cost structure in terms of the fee for the Management Company, Depositary and Investment Advisor or Fund Manager;
- c) with regard to the rules on distribution and the minimum subscription amount or minimum contribution;
- d) with regard to the use of income;
- e) with regard to the currency in which the unit classes are denominated;
- f) with regard to any other criteria 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.

4. The issue and redemption of units and the making of payments on units or income coupons shall be effected by the Management Company, the Depositary and through any paying agent.
5. The Management Company may carry out a split or consolidation of units within a unit class.
6. Existing unit classes may be dissolved by the Management Company in accordance with the provisions of Articles 12 and 13 of the Management Regulations or merged within the Fund or into another UCITS or sub-fund / unit class thereof managed by the same Management Company or managed by another management company, which said other UCITS or sub-fund / unit class may be established either in Luxembourg or in another Member State.

#### **Article 6 ISSUE OF UNITS**

1. Units shall be issued on each valuation day at the unit value plus a sales commission. The amount of the sales commission for the sub-fund is defined in the Sales Prospectus. The sales commission is charged in favour of the intermediary. The issue price may be increased by fees or other charges applicable in the distribution countries.
2. The Management Company may at any time at its own discretion reject a subscription application for the relevant sub-fund or temporarily restrict, suspend or permanently discontinue the issue of units, insofar as this appears necessary in the interest of the unitholders as a whole, for the protection of the Management Company, for the protection of the Fund or sub-fund, in the interest of the investment policy or in the event that the specific investment objectives of the sub-fund are jeopardised. In order to protect investors, the Management Company will not permit any practices related to market timing and reserves the right to reject subscription applications from any investor whom the Management Company suspects of using such practices and will take the necessary measures if appropriate.
3. The Management Company may issue units against delivery of securities in accordance with the laws of the Grand Duchy of Luxembourg if a subscriber requests this procedure and provided that these securities fit within the framework of the investment policy as well as the investment restrictions of the sub-fund concerned. In connection with the issue of units against delivery of securities, the Fund's auditor must prepare an expert opinion on the valuation of the securities to be contributed. The costs of any issue of units effected in the aforementioned manner shall be borne by the relevant subscriber.
4. Units shall generally be acquired at the issue price on the valuation day in accordance with Article 7(1) of the Management Regulations. Subscription applications received by the Management Company by 4:00 p.m. (Luxembourg time) on a valuation day T will be settled on the basis of the unit value of the valuation day T. Subscription applications received by the Management Company after 4:00 p.m. (Luxembourg time) on a valuation day will be settled at the unit value of the next valuation day.

The issue price is payable within two banking days after the relevant valuation day.

5. The units are issued immediately by the Registrar and Transfer Agent on behalf of the Management Company following the receipt of the issue price by the Depositary.

6. The Depositary will promptly return any payments received on unexecuted subscription applications without interest.
7. Savings plans can be offered for the Fund. If savings plans are offered, this is mentioned in the Sales Prospectus. Provided the issue is made under the savings plans offered, no more than one third of each of the payments agreed for the first year will be used to cover costs and the remaining costs will be spread evenly over all subsequent payments.

## **Article 7 UNIT VALUE CALCULATION**

1. The value of a unit ("unit value") is denominated in the unit class currency ("unit class currency") set out in the overview of the relevant sub-fund in the Sales Prospectus. It is calculated under the supervision of the Depositary by the Management Company or a third party appointed by it for each day specified in the Sales Prospectus of the sub-fund ("valuation day"). The calculation is made on the bank working day following the valuation day. For this purpose, a banking day is any day which is both a bank working day and a trading day in Luxembourg and Frankfurt am Main. The calculation of the sub-fund and its unit classes is performed by dividing the net sub-fund assets of the unit class by the number of units of this unit class in circulation on the valuation day. Insofar as information on the situation of the Fund's assets as a whole must be provided in annual and semi-annual reports and other financial statistics on the basis of statutory provisions or in accordance with the regulations of the Management Regulations, this information shall be provided in euros ("reference currency") and the assets of the sub-funds shall be converted into the reference currency.
2. The net sub-fund assets are calculated based on the following principles:
  - a) The target fund units in the sub-fund are valued at the last determined and available unit value or redemption price.
  - b) The value of cash on hand or in banks, deposit certificates and outstanding accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be the full amount unless the same is unlikely to be paid or received in full, in which case the value shall be determined by including a reasonable discount to arrive at the actual value.
  - c) The value of assets listed or traded on a stock exchange or other regulated market shall be determined on the basis of the last available price, unless stipulated otherwise below.
  - d) The value of assets not listed or traded on a stock exchange or other regulated market, as well as the value of assets that are listed or traded on a stock exchange or other market as mentioned above, but whose price in accordance with the stipulations in (c) does not adequately reflect the actual market value of the corresponding assets, is calculated on the basis of the reasonably foreseeable sales price according to a careful estimate.
  - e) The liquidation value of futures, forwards or options not traded on stock exchanges or other organised markets shall be the net liquidation value as determined in accordance with management guidelines on a basis consistently applied to all different types of contracts. The liquidation value of futures, forwards or options traded on stock exchanges or other organised markets shall be calculated on the basis of the last available settlement prices of these contracts on the stock exchanges or organised markets on which these futures, forwards or options are traded by the Fund; provided that if a future, forward or option cannot be liquidated on a day for which the net asset value is determined, the valuation basis for this contract shall be determined by the management in an appropriate and reasonable manner.
  - f) Swaps are valued at their market value.  
It should be noted that swap contracts are entered into under normal market conditions exclusively in the interests of the sub-fund.
  - g) Money market instruments may be valued at their market value as determined by the Management Company in good faith and in accordance with generally accepted valuation rules verifiable by auditors.
  - h) All other securities or other assets shall be valued at their fair market value as determined in good faith and in accordance with the procedure to be issued to the Management Company.
  - i) The pro rata interest accruing on securities is included if this has not been taken into account in the market value (dirty pricing).

The value of all assets and liabilities not expressed in the sub-fund's currency will be converted into that currency at the latest available exchange rate. If these rates are not available, the exchange rate shall be determined in good faith and in accordance with the procedure established by the management.

The Management Company may permit other valuation methods at its own discretion if it considers this to be appropriate in the interest of a more appropriate valuation of an asset of the Fund.

If the Management Company is of the opinion that the unit value determined on a particular valuation date does not reflect the actual value of the sub-fund's units, or if there have been significant movements on the relevant stock exchanges and/or markets since the unit value was determined, the Management Company may decide to update the unit value on the same day. Under these circumstances, all applications for subscription and redemption received for this valuation date will be honoured on the basis of the unit value, which has been updated taking into account the principle of good faith.

3. If two or more unit classes are established for the Fund pursuant to Article 5(3) of the Management Regulations, the following special features shall apply to the calculation of the unit value:
  - a) The unit value is calculated separately for each unit class according to the criteria stated under No. 2 of this Article.
  - b) 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.
  - c) In the event of a distribution, the unit value of units in the unit class which carry entitlement to a distribution is lowered by the amount of the distribution. The percentage share of this unit class in the total net sub-fund assets is also reduced, whilst the percentage share of one or more other unit classes in the total net sub-fund assets which do not carry entitlement to a distribution is increased.
4. An income equalisation procedure may be carried out for each sub-fund.
5. The Management Company may determine the unit value for large redemption applications that cannot be satisfied from the liquid assets and permitted borrowings of the sub-fund concerned on the basis of the prices on the valuation day on which it carries out the necessary sales of securities for the sub-fund; this then also applies to subscription orders for the sub-fund submitted at the same time.

#### **Article 8      SUSPENSION OF THE CALCULATION OF THE UNIT VALUE**

1. The Management Company is authorised to temporarily cease calculating the unit value for the Fund or sub-fund if and as long as there are circumstances which necessitate this and if the suspension is justifiable on account of the interests of unitholders, in particular
  - a) during any period when any stock exchange or regulated market where a significant portion of the sub-fund's assets is officially listed or traded is closed (other than ordinary weekends or public holidays), or when trading on such stock exchange or on the corresponding market has been suspended or restricted;
  - b) in emergency situations if the Management Company is unable to dispose of investments in the sub-fund concerned or if it is impossible for it to freely transfer the countervalue of investment purchases or sales or to properly undertake the calculation of the unit value.
2. The Management Company shall immediately publish the suspension or resumption of the unit value calculation in at least one daily newspaper in the countries in which units of the Fund are authorised for public distribution and shall notify all unitholders who have offered units for redemption.

#### **Article 9      REDEMPTION OF UNITS**

1. Unitholders in the sub-fund shall be entitled to request redemption of their units at any time at the redemption price and under the conditions determined in accordance with Article 7 of the Management Regulations of the Fund. This redemption will only take place on a valuation day. Payment of the redemption price shall be made against surrender of the units. If a redemption commission is charged, this will be mentioned in the Sales Prospectus.
2. Redemption shall generally be effected at the redemption price of the valuation day. Redemption applications received by the Management Company by 4:00 pm (Luxembourg time) on a valuation day T will be settled on the basis of the unit value of the valuation day T. Redemption applications received by the Management Company after 4:00 p.m. (Luxembourg time) on a valuation day will be settled at the unit value of the next valuation day.

Payment of the redemption price shall be made within two bank working days after the relevant valuation day.



3. The Management Company shall be entitled, subject to the prior approval of the Depositary, to make substantial redemptions which cannot be satisfied out of the liquid assets and permitted borrowings of the Fund only after corresponding assets of the Fund have been sold without delay. Investors who have offered their units for redemption shall be informed immediately in an appropriate manner of any failure to service (suspension) the redemption and of the servicing (resumption) of the redemption.
4. The Management Company may decide to temporarily suspend the redemption of units for the Fund. Suspension may only be effected in exceptional cases where circumstances require this suspension and where the suspension is justified having regard to the interests of the unitholders.
5. The Depositary must 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 the transfer of the redemption price to the applicant's country.
6. The Management Company may unilaterally repurchase units on behalf of the Fund against payment of the redemption price to the extent that this appears necessary in the interest of the unitholders as a whole or for the protection of the Management Company or the Fund.

#### **Article 10 ACCOUNTING YEAR AND FINANCIAL AUDIT**

1. The Fund's accounting year begins on 1 January and ends on 31 December of each year.
2. The annual accounts of the Fund shall be audited by an auditor appointed by the Management Company.

#### **Article 11 DISTRIBUTIONS**

1. The Management Company shall determine for each sub-fund whether or not distributions shall in principle be made to the unitholders from the sub-fund assets. This is mentioned in the Sales Prospectus.
2. Notwithstanding the above, the Management Company may decide to make a distribution from time to time.
3. The ordinary income from interest and/or dividends less costs ("net ordinary income") as well as net realised price gains may be distributed.

Furthermore, the unrealised price gains and other assets may be distributed, provided that the net fund assets do not fall below the minimum limit pursuant to Article 1(1) of the Management Regulations as a result of the distribution.

4. Distributions will be paid on the units issued on the distribution date. Income that is unclaimed five years after the publication of a distribution declaration shall be forfeited in favour of the Fund.
5. If two or more unit classes are formed pursuant to Article 5(3) of these Management Regulations, the specific use of the income of the unit class shall be specified in the Fund's Sales Prospectus.

#### **Article 12 DURATION AND DISSOLUTION OF THE FUND**

1. The Fund is set up for an indefinite period.
2. Notwithstanding the provision of No. 1 of this Article, the Management Company may dissolve existing sub-funds at any time if the relevant net assets of a sub-fund fall below an amount considered by the Management Company to be the minimum amount necessary to ensure the efficient management of that sub-fund and which has been set at EUR 5 million, as well as in the event of a change in the economic and/or political environment. The dissolution of existing sub-funds will be published beforehand.
3. Upon dissolution of a sub-fund, the Management Company shall liquidate this sub-fund. In doing so, the assets attributable to this sub-fund are sold and the liabilities attributable to this sub-fund are amortised. The liquidation proceeds shall be distributed to the unitholders in proportion to their unit holdings. The unclaimed liquidation proceeds following the completion of the liquidation of a sub-fund shall be deposited accordingly for all remaining and unclaimed amounts in accordance with the rule in Article 12(5) of the Management Regulations.
4. The dissolution of the Fund shall be mandatory in the following cases:
  - a) if the duration specified in the Fund's Management Regulations has expired;
  - b) if the appointment of the Depositary is terminated without a new appointment being made within the statutory or contractual time limits;
  - c) if insolvency proceedings are opened for the Management Company or the Management Company is dissolved for

any reason;

- d) if the Fund's assets remain below one quarter of the minimum limit pursuant to Article 1(1) of the Management Regulations for more than six months;
  - e) in other cases provided for by the Law of 2010 or the Fund's Management Regulations.
5. If an event occurs that leads to the dissolution of the Fund, the issue of units will cease. The redemption of units of the Fund shall continue to be possible if equal treatment of investors is ensured in the process. The Depositary shall distribute the liquidation proceeds, less the liquidation costs and fees ("net liquidation proceeds"), among the unitholders of the Fund at the instruction of the Management Company or, where applicable, the liquidators that are appointed by the Management Company or by the Depositary. The net liquidation proceeds not collected from unitholders at the conclusion of the liquidation procedure shall, to the extent then required by law, be converted into euros and deposited by the Depositary for the account of unitholders with the Caisse de Consignations in Luxembourg upon the conclusion of the liquidation procedure, where such amount shall be forfeited unless claimed there within the statutory period.
6. The unitholders, their heirs or successors in title or creditors may not apply for the dissolution or division of the Fund.

### **Article 13      MERGER OF THE FUND AND SUB-FUNDS**

The Management Company may decide, by resolution of the management and in accordance with the conditions and procedures set out in the Law of 2010, to merge the Fund with another undertaking for collective investment in transferable securities ("UCITS") or sub-fund thereof managed by the same Management Company or managed by another management company, which other UCITS or sub-fund may be established in Luxembourg as well as in another Member State.

If the UCITS which ceases to exist or a sub-fund of a UCITS is an investment fund (FCP) which ceases to exist as part of a merger, the effectiveness of the merger shall be decided by the Management Company of that UCITS, unless the Management Regulations provide otherwise. In the case of any investment fund (FCP) that ceases to exist, the decision on effectiveness shall be the subject of filing with the Trade and Companies Register and its publication in the RESA of the notice of the filing of the decision with the Trade and Companies Register in accordance with the provisions of the Law of 2010.

The notice to investors regarding the merger of the Fund or of a sub-fund shall be published in a manner appropriate to the Management Company in Luxembourg and in those countries in which the units of the Fund or sub-fund are distributed.

The unitholders of the receiving fund or sub-fund as well as of the transferring fund or sub-fund shall have the right for a period of 30 days to request, without charge, the redemption of their units at the relevant unit value or the conversion of their units into units of another fund or sub-fund with a similar investment policy that is managed by the same Management Company or by another company with which the Management Company is affiliated through joint management or control or through a substantial direct or indirect holding. This right shall take effect from the date on which the unitholders of the transferring fund or sub-fund and the unitholders of the acquiring fund or sub-fund are notified of the proposed merger and shall expire five bank working days prior to the date of calculation of the exchange ratio.

The units of unitholders who have not requested the redemption or conversion of their units shall be replaced by units of the acquiring UCITS or sub-fund thereof on the basis of the unit values on the effective date of the merger. Where applicable, unitholders will receive a fractional adjustment.

In the event of a merger between funds or sub-funds, the funds or sub-funds concerned may temporarily suspend subscriptions or redemptions of units to the extent that this appears justified in the interests of investors.

Legal, advisory or administrative costs associated with the preparation and implementation of a merger will not be charged to the Fund or sub-fund or its unitholders.

## Article 14 COSTS

The following costs may be charged to the sub-fund:

1. For the management of the sub-fund, the management company receives a fee based on the net assets of the sub-fund, which is calculated and paid quarterly in retrospect at the end of each month. The calculation of the fee is based on the average net asset value of the investment fund in the accounting period, which is calculated from the values of each valuation day. The amount of the fee including any minimum fee with regard to the individual sub-funds is mentioned in the Sales Prospectus. This fee is subject to any value added tax which may apply.
2. The investment advisor or the fund manager may receive a fee from the respective net sub-fund assets, which shall be calculated and paid quarterly in arrears at the end of each month. The calculation of the fee is based on the average net asset value of the investment fund in the accounting period, which is calculated from the values of each valuation day.
3. In addition to the aforementioned fees, a performance fee may be paid out of the sub-fund assets. The amount applicable to the sub-fund, the calculation and payment method of the performance fee as well as the recipient of the performance fee are mentioned in the Sales Prospectus. This fee is subject to any value added tax which may apply.
4. The The depositary receives a fee from the net assets of the subfund, which is calculated and paid quarterly in arrears at the end of each month. The calculation of the fee is based on the average net asset value of the investment fund in the accounting period, which is calculated from the values of each valuation day. The amount of the fee, including any minimum fee with regard to the individual subfunds, is mentioned in the sales prospectus. This fee is subject to any value added tax which may apply.
5. The Distributor, if any, may receive a fee from the respective net assets of the subfund, which shall be calculated and paid quarterly in retrospect at the end of each month. The calculation of the fee is based on the average net asset value of the investment fund in the accounting period, which is calculated from the values of each valuation day. The amount of the fee, including any minimum fee with regard to the individual subfunds, is mentioned in the sales prospectus. This fee is subject to the addition of any applicable value-added tax.
6. When calculating the aforementioned fees, individual assets may be disregarded if this is necessary and in the interests of the investors.
7. In addition to the aforementioned fees, the following costs in particular may be charged to the sub-fund:
  - a) all costs associated with the acquisition, disposal and ongoing management of assets;
  - b) a fee in line with the market for the provision of direct and indirect operational expenses of the Depositary or the Management Company, which arise in particular from the use of OTC transactions, including the costs of collateral management incurred within the scope of OTC transactions, securities lending transactions and securities repurchase transactions, as well as other costs incurred within the scope of OTC derivatives trading;
  - c) taxes and similar duties levied on the Fund assets, its income and expenses;
  - d) costs incurred by the Management Company or the Depositary for legal advice when acting in the interests of the unitholders of the Fund;
  - e) fees and costs for auditors of the Fund;
  - f) costs for the preparation of unit certificates and income coupons;
  - g) costs for the redemption of income coupons as well as for the renewal of income coupon sheets;
  - h) costs of preparing, filing and publishing the Management Regulations and other documents, such as Sales Prospectuses, relating to the Fund, including costs of applications for registration or written explanations with all registration authorities, stock exchanges (including local securities dealer associations) and other institutions which must be made in connection with the Fund or the offering of its units;

- i) costs for the preparation of the *Key Investor Information Document*;
- j) printing and distribution costs of the annual and semi-annual reports for the unitholders in all necessary languages as well as printing and distribution costs of all other reports and documents which are necessary in accordance with the applicable laws and regulations of the aforementioned authorities;
- k) costs of publications intended for unitholders, including the costs of informing the unitholders of the special fund by means of a durable medium;
- l) an appropriate share of the costs of advertising, marketing support, implementation of the marketing strategy and other marketing measures and of such costs as are directly incurred in connection with the offering and sale of units;
- m) costs for risk controlling or risk management;
- n) all costs and fees in connection with the processing of the unit certificate business as well as sales services;
- o) costs for the credit rating of the Fund or sub-fund by nationally and internationally recognised rating agencies;
- p) costs in connection with any listing;
- q) fees, expenses and other costs of the paying agents, the distributors, if any, as well as other offices to be established abroad, if necessary;
- r) expenses of any investment committee or ethics committee;
- s) expenses of an administrative or supervisory board;
- t) costs for the establishment of the Fund or individual sub-funds and the initial issue of units;
- u) other costs of administration including costs for stakeholders;
- v) costs for performance attribution;
- w) insurance costs;
- x) Interest accruing under borrowings made pursuant to Article 4 of the Management Regulations and
- y) any licence costs for the use of indices and
- z) costs related to the implementation of regulatory requirements / reforms.

All aforementioned costs, fees, charges and expenses are exclusive of any applicable value added tax.

8. All costs are first charged to ordinary income, then to capital gains and finally to the fund assets.
9. The costs of the individual sub-funds are calculated separately insofar as they affect the sub-fund alone.
10. The Management Company, the Depositary, the Fund Manager and the Investment Advisor may use their proceeds to support sales and marketing activities of the intermediaries and to pay recurring sales commissions and sales trail commissions. The amount of these commissions is usually assessed depending on the fund volume brokered.
11. The formation costs may be amortised in the fund assets of the sub-funds existing at the time of formation in equal instalments over a period of five years. The formation costs shall be charged to the sub-funds launched at the time of formation. Costs in connection with the launch of additional sub-funds shall be written off in the sub-fund assets to which they are attributable within the first financial year after the launch of the sub-fund.
12. The total cost burden with regard to the sub-fund or its unit classes is mentioned in the Sales Prospectus.

#### **Article 15    LIMITATION PERIOD AND PRESENTATION PERIOD**

Claims by unitholders against the Management Company or Depositary may no longer be legally asserted once five years have expired since the claim arose; the provision in Article 12(5) of the Management Regulations remains unaffected by this.

#### **Article 16    AMENDMENTS**

The Management Company may amend the Management Regulations in whole or in part at any time with the consent of the Depositary.

#### **Article 17    PUBLICATIONS**

1. Versions of the Management Regulations valid for the first time as well as amendments to the Management Regulations shall be deposited with the Trade and Companies Register. Their publication in the RESA is effected by publishing a notice that the document concerned has been deposited with the Trade and Companies Register in accordance with the provisions of the Law of 2010.
2. Issue and redemption prices may be obtained from the Management Company, the Depositary and any paying agent.
3. The Management Company shall prepare a sales prospectus, key investor information document, audited annual report and semi-annual report for the Fund in accordance with the legal provisions of the Grand Duchy of Luxembourg.
4. The Fund documents referred to in No. 3 of this Article may be obtained by unitholders at the registered office of the Management Company, the Depositary and any paying agent or distributor.
5. The dissolution of the Fund pursuant to Article 12 of the Management Regulations shall be filed with the Trade and Companies Register by the Management Company in accordance with the statutory provisions and published in the RESA and in at least two national daily newspapers, one of which shall be a Luxembourg newspaper.

#### **Article 18    GOVERNING LAW, JURISDICTION AND CONTRACT LANGUAGE**

1. The Management Regulations of the Fund are subject to Luxembourg law. In particular, the provisions of the Law of 2010 shall apply in addition to the provisions of the Fund's Management Regulations. The same applies to the legal relationships between the unitholders, the Management Company and the Depositary.
2. Any legal dispute between unitholders, the Management Company and the Depositary shall be subject to the jurisdiction of the competent court in the Grand Duchy of Luxembourg. The Management Company and the Depositary shall be entitled to submit themselves and the Fund to the jurisdiction and law of any country in which units of the Fund are publicly distributed in respect of matters relating to the Fund to the extent of claims of investors resident in the country concerned.
3. The German text of the Management Regulations shall prevail unless otherwise expressly provided in the Management Regulations.

#### **Article 19    ENTRY INTO FORCE**

These Management Regulations shall enter into force on 1 July 2023.

**Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product name:** ACATIS FAIR VALUE MODULOR VERMÖGENSVERWALTUNGSFONDS Nr. 1

**Legal entity identifier (LEI code):** 52990071QG5PRI7FDR95

## Sustainable investment objective

**Does this financial product have a sustainable investment objective?**

**Yes**
 **No**

<p><input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b>: 10__%  <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy  <input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p>	<p><input type="checkbox"/> It <b>promotes Environmental/Social (E/S) 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</p>
<p><input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b>: 10_____%</p>	<p><input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments.</b></p>

**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 include a list of socially sustainable economic activities. Sustainable Investments with an environmental objective might be aligned with the Taxonomy or not.



### What is the sustainable investment objective of this financial product?

**Sustainability indicators** measure how the sustainable objectives of this financial product are achieved.

In order to achieve its investment objective, the Fund shall invest its assets in issuers which are selected with particular regard to sustainability (in particular high standards of corporate, social and environmental responsibility (“ESG”) and environmental sustainability) and which contribute to at least one of the UN Sustainable Development Goals (“UN SDGs”). For this purpose, the fund management analyses issuers based on a proprietary “ESG and sustainability methodology”. Each issuer is analysed in the course of a four-stage process with regard to its ESG performance and its contribution to the 17 UN Sustainable Development Goals (SDGs).

The basis for this analysis is relevant data and information used, processed and assessed by Moody's ESG Solutions as well as internal and public sources. Only issuers for which an appropriate data basis exists or for which an individual sustainability rating has been prepared are assessed within the framework of the sustainability methodology.

At the beginning, each issuer is analyzed to determine whether there is a violation of the UN Global Compact or the ILO core labor standards (e.g. abusive child labor, forced labor, violation of human rights also in the supplier chain), whether there are violations of defined exclusion criteria with 0% tolerance (e.g. fossil fuels, strategic armaments). In a further step, the areas in which the respective issuer generates its sales are taken into account. The issuer may not generate more than 5% sales in defined areas, such as nuclear energy, alcohol, tobacco, gambling or pornography. The next step is to look at the ESG score of the issuer. The determination of the ESG score is based on the assessment of environmental (E), social (S) and corporate (G) characteristics. The relevance of the assessed characteristics is influenced by the sector to which the issuer belongs. The issuer must not fall below a defined ESG score. Consideration of the ESG score can be waived if the investment product demonstrably and fully has positive sustainability impacts and does not violate the exclusion criteria defined in the sustainability process. In a final step, the ESG and sustainability methodology assesses issuers on their contribution to the UN's 17 Sustainable Development Goals. Here, each issuer must make a positive contribution to at least one SDG.

With regard to the sustainability assessment of states and supranational organisations, in addition to various ethical exclusion criteria (e.g. possession of nuclear weapons, existence of the death penalty, lack of ratification of the UN Convention on Biodiversity), the "degree of freedom" of states is also taken into account. For the assessment of the "degree of freedom" of a state, the fund management relies on the assessments of Freedom House. Freedom House ranks the "degree of freedom" of a state, based on extensive analysis, on a scale from 1 (freest) to 7 (least free). No investments are made in "non-free" states according to Freedom House's assessment methodology.

Due to the holistic sustainability approach, the Fund does not take into account the environmental targets pursuant to Regulation (EU) 2020/852.

● **What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?**

The selection process for suitable investments consists of the following steps:

The company: The Fund excludes securities (shares) of companies that are active in at least one of the following business areas (turnover tolerance threshold in brackets):

**Armament**

- Involvement in the production and/or distribution of controversial weapons and components (0%)
- Significant involvement with manufacturers (> 3%) of cluster munitions or anti-personnel mines (0%)
- Production of conventional arms (0%)
- Production of key components for conventional weapons (5%)
- Production or sale of civilian handguns (5%)

**Fossil fuels**

- Fossil fuel industry; upstream (0%)
- Coal mining and power generation (0%)
- Unconventional oil and gas production (tar sand / oil shale); offshore arctic drilling and fracking (0%)
- Extraction of oil from tar sands and oil shale (5%)

**Nuclear energy**

- Generation and distribution of nuclear power (0%)
- Turnover from nuclear energy (5%)

**Animal welfare**

- Performance of animal testing as services (0%)
- Production of cosmetic products tested on animals (5%)
- Production or sale of fur products (5%)
- Intensive agriculture: Factory farming (5%)

**Tobacco**

- Production of tobacco (5%)
- Production of e-cigarettes (0%)

**Reproductive medicine**

- Production of contraceptives (0%)
- Production of abortifacients (0%)
- Abortion service (0%)
- Research/use of human embryonic stem cells (0%)
- Research/use of human foetal stem cells (0%)

**Further**

- Production or distribution of cannabis (5%)
- Production of GMOs for human consumption (0%)
- Manufacture of pesticides (10%)
- Production of alcoholic beverages (5%)
- Offer of high-interest credit products (5%)
- Exclusion list of the Norwegian Pension Fund
- Offering pornography and adult entertainment (3%)
- Offering and/or accessing pornography and adult entertainment (5%)
- Offer/production of gambling or production of gambling (5%)

Controversy risk assessment (CRA): In CRA, information sources are screened and data is collected and clearly assessed. Controversial business behaviour and violations of



relevant international norms and standards (UN Global Compact or ILO core labour standards) are automatically recorded. The investigation relates to a company's involvement in controversial business behaviour.

- Respect for human rights standards
- Abusive child and forced labour
- Social standards in the supply chain
- Fundamental labour rights
- Non-discrimination
- Environmental strategy
- Pollution
- Green products and services
- Biodiversity
- Water
- Energy
- Emission into the atmosphere
- Waste management
- Environmental pollution (noise/vibration)
- Transport
- Use and disposal of products
- Environmental standards in the supply chain
- Corruption

ESG score: Only companies with a positive ESG score in the areas of environment, social and corporate governance remain in the sustainability process. Consideration of the ESG score can be refrained from if the investment product demonstrably and fully has positive sustainability impacts and does not violate the exclusion criteria defined in the sustainability process.

SDG contribution: The particularly positive companies that contribute to achieving at least one of the Sustainable Development Goals (SDGs) are then filtered out.

States: The sustainability rating of states, supranational organisations or local authorities is also particularly sophisticated. These issuers are screened according to the following criteria: Possession of nuclear weapons, execution of the death penalty, share of nuclear power over 15%. In addition, states that are considered unfree states according to Freedom House, that have not ratified the UN Convention on Biological Diversity, that score poorly in the Corruption Perceptions Index or that violate the Treaty on the Non-Proliferation of Nuclear Weapons are excluded. Our filter excludes states that are affected by this.

The Fund shall take into account, through the selection process, the principal adverse impacts of investment decisions on sustainability factors as set out in Annex 1, Table 1 of Delegated Regulation (EU) 2022/1288.

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

**How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?** Based on firmly defined exclusion criteria and the controversy risk assessment (CRA), ACATIS excludes adverse environmental or social impacts from sustainable investments. The Fund shall take into account, through the selection process, the principal adverse impacts of investment decisions on sustainability factors as set out in Annex 1, Table 1 of Delegated Regulation (EU) 2022/1288.

**How have the indicators for adverse impacts on sustainability factors been taken into account?** Through the firmly defined exclusion criteria as well as the controversy risk assessment, the principal adverse effects of investment decisions on sustainability factors are taken into account in accordance with Annex 1, Table 1 of Delegated Regulation (EU) 2022/1288.

**How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights?**

The sustainability process of the Fund is compliant with the OECD Guidelines for Multinational Enterprises, the ILO core labour standards and the UN Global Compact. Respect for human rights standards, fundamental labour rights, child labour and forced labour are considered in the selection process.



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



Yes, through the exclusion criteria and controversy risk assessment, the Fund takes into account the principal adverse impacts of investment decisions on sustainability factors as set out in Annex 1, Table 1 of Delegated Regulation (EU) 2022/1288. The information pursuant to Article 11(2) of Regulation (EU) 2019/2088 (annual report of the Fund) can be found at <https://www.acatis.de/> under the heading "Investment funds" under the fund in question.

No



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

**What investment strategy does this financial product follow?** The aim of the investment policy is to achieve a sustainable increase in the value of the investment funds contributed by the customers. In order to achieve its investment objective, the Fund invests its assets in securities worldwide which take the principle of "sustainability" into account. The issuers are not subject to any geographical restrictions with regard to their registered office. The detailed investment strategy of the Fund can be found in the Sales Prospectus under "Investment objectives of the Fund" and "Investment policy". The Fund employs a sustainability advisor for the continuous implementation of the investment strategy.

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

- **What are the binding elements of the investment strategy used to select investments to attain the sustainable investment objective?** The binding elements of the investment strategy are the exclusion criteria, the controversy risk assessment, the positive ESG score and at least one SDG target pursued, answered in detail under the question “What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?”.
- **What is the policy to assess good governance practices of the investee companies?** The verification of good corporate governance is an integral part of the ESG rating. Furthermore, as part of our sustainability process, the Fund is subject to a norm-based screening, which covers, among other things, the requirements of the UN Global Compact as well as the ILO core labour standards. In addition, ACATIS actively exercises voting rights at the Annual General Meeting with a specific focus on sustainability.

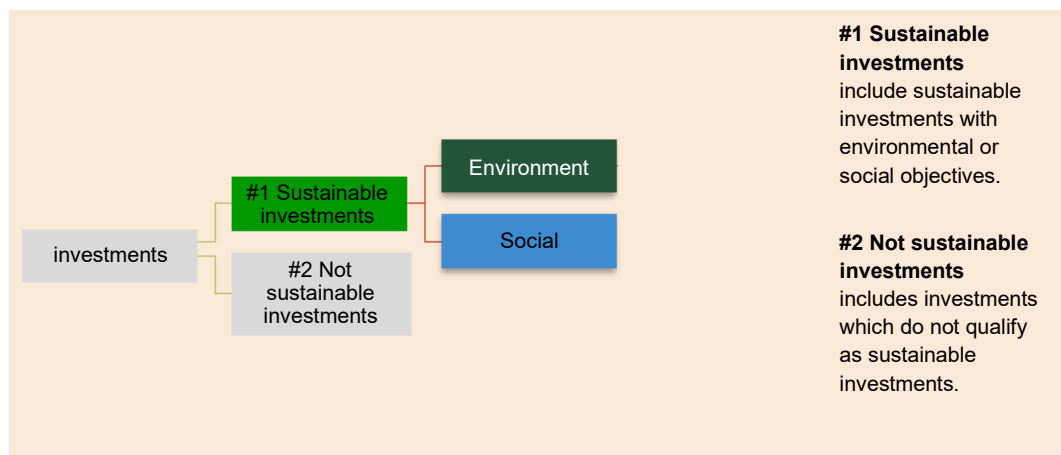


The **asset allocation** describes the share of investments in specific assets.

Taxonomy-aligned activities expressed as a share of:

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

**What is the asset allocation and the minimum share of sustainable investments?** Sustainable investments are assessed as contributing to the 17 United Nations Sustainable Development Goals (SDGs). The total share of sustainable investments, in relation to environmental goals and social goals of the fund, is at least 80% overall, with at least 10% in an environmental as well as a social goal. Under "non-sustainable investments", only liquidity and all financial instruments used to hedge the portfolio are held in the fund. However, as an ESG assessment as well as an SDG assessment according to our sustainability approach is not possible for these investment securities, they cannot be classified as "sustainable investments".



- **How does the use of derivatives attain the sustainable investment objective?** In order to attain the sustainable investment objective, the sub-fund may also use derivatives (for example in the course of a CO<sub>2</sub> neutralisation of the portfolio).



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?** The main objective of this Fund is to achieve a sustainable increase in the value of the investment assets contributed by the customers. Through the holistic sustainability approach, the Fund does not currently commit to invest a minimum amount of its total assets in environmentally sustainable economic activities as defined in Article 3 of the EU Taxonomy Regulation (2020/852). This also concerns information on investments in economic activities classified as enabling or transitional activities under Article 16 or 10(2) of the EU Taxonomy Regulation (2020/852).

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

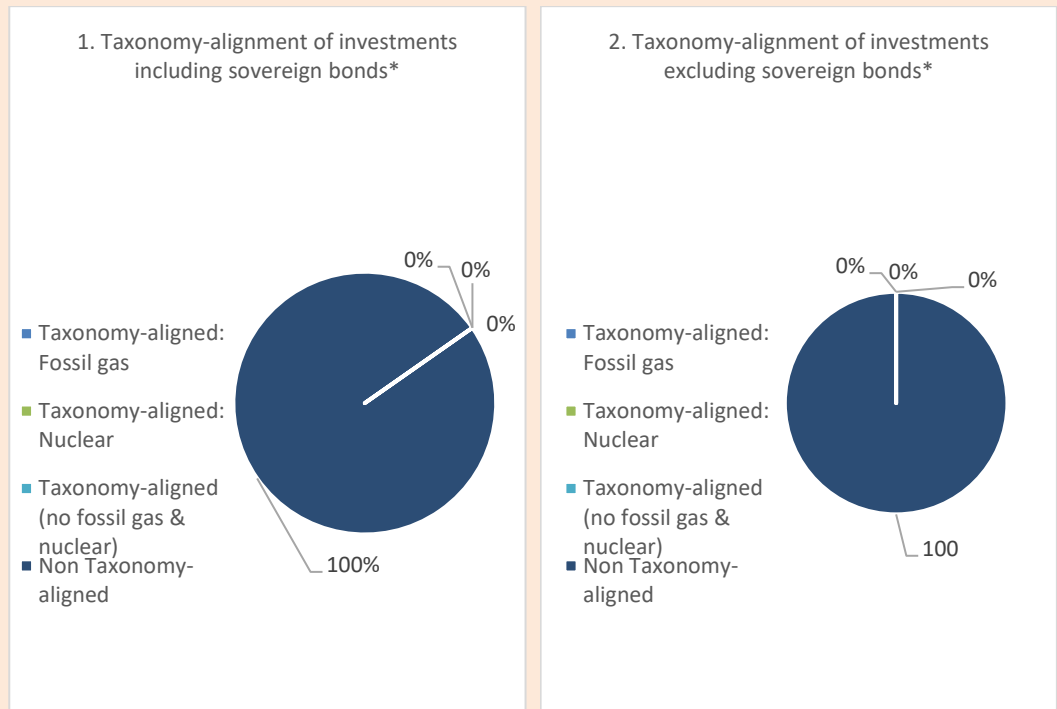
Yes:  
 In fossil gas     In nuclear energy  
 No

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

**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 emission levels corresponding to the best performance.

**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 purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

- **What is the minimum share of investments in transitional and enabling activities?** The minimum share of investments in transitional and enabling activities is 0%.



**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 do not conform to the EU taxonomy of 10% will thus be made.



**What is the minimum share of sustainable investments with a social objective?** A minimum share of sustainable investments with a social target of 10% will be made.



**What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?** Under “non-sustainable investments” we include only liquidity and all financial instruments that serve to hedge the portfolio. From a sustainability perspective, these investments are basically neutrally valued. However, as an ESG assessment as well as an SDG assessment according to our sustainability approach is not possible for these investment titles, they cannot be classified as “sustainable investments”.



**Is a specific index designated as a reference benchmark for attaining the sustainable investment objective?** No, the Fund has no benchmark index.

- **How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?** The Fund has no benchmark index.
- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?** The Fund has no benchmark index.
- **How does the designated index differ from a relevant broad market index?** The Fund has no benchmark index.
- **Where can the methodology used for calculation of the designated index be found?** The Fund has no benchmark index.



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

Further product-specific information is available at <https://www.acatis.de/nachhaltigkeit/offenlegungsverordnung>

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

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

## NOTES FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY

INFORMATION AGENT  
in the Federal Republic of Germany

ACATIS Investment  
Kapitalverwaltungsgesellschaft mbH  
mainBuilding  
Taunusanlage 18  
60325 Frankfurt am Main

**No separate paying agent has been specified for the Federal Republic of Germany since there are no printed individual certificates in circulation.**

Investors in the Federal Republic of Germany may submit redemption and conversion applications via their respective principal bank, which will forward them via the customary banking clearing channels to the Fund's Depository / Registrar and Transfer Agent in the Grand Duchy of Luxembourg for execution. All payments to German investors (redemption proceeds and any distributions or other payments) shall likewise be settled using normal bank clearing methods via the investor's own domestic bank, so German investors will receive such payments from that bank.

The current Sales Prospectus including the Management Regulations, the Key Investor Information Document (KIID) as well as the annual and semi-annual reports are available to unitholders free of charge in German from the Management Company, the Depository, the Registrar and Transfer Agent and the information agent in the Federal Republic of Germany.

The agreements mentioned above under "Publications" as well as the Articles of Association of the Management Company may also be viewed at the establishments referred to above.

Issue and redemption prices as well as any notifications to unitholders are published in the Federal Republic of Germany on the website [www.acatis.com](http://www.acatis.com). In the cases prescribed by law in Germany (in accordance with the German Capital Investment Code ("KAGB")), the notice to investors is also published in an electronic version of the Federal Gazette ("eBAnz").

### **Right of revocation pursuant to Section 305 KAGB**

If investment units are purchased via verbal negotiations outside the permanent business premises of the party who is selling the units or has arranged the sale, the buyer may within two weeks send the foreign Management Company a written revocation of its/his declaration of intent to make a purchase (right of revocation). This shall also apply if the party selling the units or arranging the sale has no permanent business premises. In case of distance contracts within the meaning of Section 312b of the German Civil Code (Bürgerliches Gesetzbuch – hereinafter: BGB), the right of withdrawal shall not apply for financial services whose price is subject to fluctuations on the financial market (Section 312g(2)(1)(8) BGB).

Sending the notice of revocation within the allotted time period is deemed sufficient for compliance with the deadline. Notice of revocation must be given to ACATIS in writing, stating the name of the person making the declaration as well as their signature; no justification is required.

The revocation period shall not begin until the buyer has been given a copy of the application to conclude the contract, or has been sent a bought note advising it/him of the right of revocation.

Should there be any dispute as to when the revocation period began, the seller bears the burden of proof.

The right of revocation shall not apply if the seller can prove either that the buyer purchased the units as part of their business activities or that the seller contacted the buyer for the negotiations leading up to the sale of the units on the basis of previous orders in accordance with Section 55(1) of the German Industrial Code (*Gewerbeordnung*).

If the revocation has been executed and the buyer has already made payments, then the foreign Management Company shall be obliged to reimburse the buyer, in instalments if necessary, for return transfer of the units acquired, for the costs paid as well as a sum corresponding to the value of the units paid for as of the day following the receipt of the statement of revocation.

The right of revocation cannot be waived.

### **Investor rights**

ACATIS has set up a complaints office. Complaints may be submitted to ACATIS electronically or in written form.

Electronic complaints should be sent to the e-mail address: [beschwerde@acatis.de](mailto:beschwerde@acatis.de). Written complaints should be sent to:

ACATIS Investment Kapitalverwaltungsgesellschaft mbH  
mainBuilding  
Taunusanlage 18  
60325 Frankfurt am Main

Complaints can be made in English or German. The handling of complaints is a free service to investors. A reply letter will be sent within one month of receipt of the complaint.

If the matter has not been resolved within one month of sending the complaint to ACATIS or if no interim reply has been sent, it is possible to use the procedure for the out-of-court settlement of complaints of the Luxembourg financial supervisory authority, the "Commission de Surveillance du Secteur Financier" ("CSSF"). The legal basis for this is CSSF Regulation 16-07. Contact should be made by post to:

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

by fax (+35226251601), or by e-mail ([reclamation@cssf.lu](mailto:reclamation@cssf.lu)).

An application for out-of-court settlement of a complaint lodged with the CSSF is no longer admissible if more than one year has elapsed between the date on which the complaint was lodged with the CSSF and the date on which it was originally lodged with ACATIS.

In order to enforce investors' rights, legal action may also be taken before the ordinary courts. The possibility of an individual action is open.

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

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

## **NOTES FOR INVESTORS IN AUSTRIA**

This Annex contains additional information for Austrian investors concerning the fund 2ACATIS Fair Value Modulor Vermögensverwaltungsfonds” (the “Fund”). This Annex forms an integral part of the Sales Prospectus and should be read in conjunction with the valid Sales Prospectus of the Fund (the “Sales Prospectus”). Unless otherwise stated, all defined terms in this Annex shall have the same meaning as in the Sales Prospectus.

### **Contact and information agent in Austria**

Contact and information agent in Austria in accordance with the provisions under EU Directive 2019/1160 Art. 92:

#### **Erste Bank der oesterreichischen Sparkassen AG**

**Am Belvedere 1,**

**A-1100 Vienna**

**E-mail: [foreignfunds0540@erstebank.at](mailto:foreignfunds0540@erstebank.at)**