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L'apposition du visa ne peut en aucun cas servir  
d'argument de publicité

Luxembourg, le 2024-03-20

Commission de Surveillance du Secteur Financier



**UI**

*Société d'Investissement à Capital Variable*

Registered Office of the Company

15, rue de Flaxweiler  
L-6776 Grevenmacher  
Grand Duchy of Luxembourg

**PROSPECTUS**

**February 2024**

 **Universal  
Investment**

## IMPORTANT INFORMATION

UI (the "Company" or "The Fund") has the structure of an umbrella fund and offers various classes of shares (the "Share Classes") each relating to a separate portfolio (the "Sub-Funds") as specified in the description of the relevant Sub-Fund in Appendix. The distribution of this Prospectus is not authorised unless accompanied by the Key Information Document ("PRIIPs-KID"), the latest available annual report and accounts of UI and by the latest semi-annual report if published thereafter. No person is authorised to give any information or to make any representation other than those contained in this Prospectus, and any subscription and / or purchase made by any person on the basis of statements or representations not contained in or inconsistent with the information contained in this Prospectus shall be solely at the risk of the subscriber / purchaser.

Subscriptions can only be accepted if they are based on the Prospectus or on the PRIIPs-KID. No information other than that contained in this Prospectus or in the PRIIPs-KID may be given.

Distribution of this Prospectus and the offering of Shares may be subject to restrictions in certain jurisdictions. This Prospectus does not constitute an offer for sale or an invitation to purchase in a jurisdiction in which such an offer or invitation is not permitted, or in which the offer would be directed at persons to whom distributing such an offer or invitation would be prohibited by law. Statements made in this Prospectus are based on the law and practice currently in force in the Grand Duchy of Luxembourg and are subject to changes therein.

This Prospectus in its current version may be amended and updated in the future.

All decisions to subscribe or purchase Shares are deemed to be made solely on the basis of the information contained in this Prospectus and the PRIIPs-KID accompanied by the latest available annual report of the Company containing its audited accounts, and by the latest available semi-annual report, if published thereafter. All other information given or representations made by any person must be regarded as unauthorised.

The Management Company and the Company reserve the right to reject, at their sole discretion, any subscription request for Shares and to accept any application in part only. The Company and the Management Company do not permit practices related to market timing and late trading and reserve the right to reject subscription and conversion orders from investors who the Company or the Management Company suspect of using such practices and to take the appropriate measures to protect other investors of the Company.

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

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

The Company is not registered under the United States Investment Company Act of 1940, as amended, or any similar or analogous regulatory scheme enacted by any other jurisdiction except as described herein. In addition, the shares of the Company are not registered under the United States Securities Act of 1933, as amended, or under any similar or analogous provision of law enacted by any other jurisdiction except as described herein. Therefore, shares in the Company must not be offered, sold, transferred or delivered in the United States of America, its territories or possessions, neither for or on account of US persons (in the context of the definitions for the purposes of US federal laws on securities, goods and taxes, including Regulation S in relation to the United States Securities Act of 1933; together "US-Persons"), except in a transaction which does not violate the applicable legislation. Any documents related to the Company must not be circulated in the United States of America.

In Luxembourg, the US Foreign Account Tax Compliance Act (FATCA) is based on the Intergovernmental Agreement (IGA) between the United States and Luxembourg (hereinafter referred to as "IGA Luxembourg-USA") as implemented into Luxembourg law by the law of 24 July 2015 relating to FATCA (the "FATCA-Law"). According to the FATCA-Law, Luxembourg Financial Institutions may be required to collect and report information about financial accounts of certain US Persons to the competent tax authorities.

According to the current national Luxembourg FATCA legislation, the Fund qualifies as a "Restricted Fund" in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section

1471 of the US Internal Revenue Code. Therefore, units of the Fund must not be offered, sold, transferred or delivered to:

- Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,
- Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and
- Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.

In Luxembourg, the Common Reporting Standard (CRS) is based on the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation (the "CRS Law"). According to the current national Luxembourg CRS legislation, the Fund qualifies as a Financial Institution (Investment Entity) and is obliged to collect and to report certain information about financial accounts held by certain Unitholders to the Luxembourg tax authorities which subsequently exchange this information with the competent foreign tax authorities

Each Shareholder agrees to provide the Company with a Self-Certification form for purposes of FATCA and CRS and, if applicable, other documentation relating to or establishing such Shareholder's identity, jurisdiction of residence (or formation) and income tax status. The Shareholder has to undertake to advise the Company promptly and provide an updated Self-Certification form within 30 days where any change in circumstances occurs which causes any of the information contained in the form to be inaccurate or incomplete.

In the event the Company is required either to pay a withholding tax, or is forced to comply with reporting duties, or if it suffers any other damages, due to a Shareholder's non-compliance under FATCA or CRS, the Company reserves the right to claim damages from such Shareholder, without prejudice to any other rights.

Current and prospective investors are advised to direct any questions regarding FATCA/CRS and/or the FATCA classification and status of the Company toward their financial, tax, and/or legal advisors.

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## GENERAL PART

### INTRODUCTION

UI (the “Company” or the “Fund”) is an investment company with variable capital (*société d’investissement à capital variable, SICAV*) established for an unlimited period of time on 21 July 2015 in the form of a public limited company (*société anonyme, S.A.*) under Luxembourg law in accordance with the provisions of the Luxembourg law of 10 August 1915 (the “1915 Law”) on commercial companies, as amended (the “1915 Law”), and Part I of the Luxembourg law of 17 December 2010 (the “2010 Law”). The Company qualifies as an undertaking for collective investment in transferable securities under article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (the “UCITS Directive”) and may therefore be offered for sale in any EU Member State, subject to registration. The registration of the Company does not constitute a warranty by any supervisory authority as to the performance or the quality of the Shares issued by the Company. Any representation to the contrary is unauthorised and unlawful.

The capital of the Company consists of shares (the “Shares”) of no par value and is at any time equal to the total net assets of the Company. The Company is structured as an umbrella fund with the ability to provide investors with investment opportunities in a variety of investment portfolios (the “Sub-Funds”). The liabilities of each Sub-Fund shall be segregated on a Sub-Fund by Sub-Fund basis with third party creditors having recourse only to the assets of the Sub-Fund concerned.

Each Sub-Fund may offer one or several share classes (the “Share Classes”) for each Sub-Fund, each with different minimum subscription, dividend policies, fee structures or other characteristics and which may be denominated in various currencies. A separate net asset value per share (the “Net Asset Value”) shall be calculated for each issued Share Class in relation to each Sub-Fund. Some of these Sub-Funds or Share Classes may however not be available to all investors. The Company retains the right to offer only one or more Share Classes for purchase by investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason. The Company may further reserve one or more Sub-Funds or Share Classes respectively to institutional investors only. The different features of each Share Class and various conditions and restrictions on ownership of Shares are described in the relevant Sub-Fund Appendix.

If unit classes denominated in currencies other than the reference currency are formed, the risk of currency fluctuations can, in part, be reduced through the use of instruments and other techniques.

The objective of reducing currency fluctuations defined in the appendix for each sub-fund should be pursued with a hedging ratio of between 95% and 105%. However, there is no guarantee that this investment objective will be achieved.

This Prospectus consists of a general part (the “General Part”), containing all provisions which are applicable to all Sub-Funds and appendices (“Appendices”), describing the Sub-Funds and containing any provisions applicable to them. The Prospectus contains the Appendices for all Sub-Funds, and is available for inspection at the registered office of the Company. Prospectuses containing only one or several Sub-Fund Appendices may be prepared. The Prospectus may be amended or supplemented from time to time. In that case, the investors will be informed accordingly.

In addition, a Key Information Document (“PRIIPS-KID”) is made available at latest the launch date of each relevant Share Class. By subscribing for new Shares, the investors confirm having received the PRIIPS-KID.

The mechanism for the calculation of the Issue Price per Share, plus the imposition of a subscription charge (if any), is set out in each case in the description of the relevant Appendix.

Any Shareholder may request the redemption of all or some of his Shares by the Company on each dealing date (the “Dealing Date”, being the valuation date (the “Valuation Date”) on which a Shareholder may subscribe, redeem or convert Shares as specified in the description of the relevant Appendix) and, subject to certain guidelines (detailed in the section entitled “Redemption of Shares by the Company”), the Company is obliged to

redeem the Shares. The redemption price of such Shares (the "Redemption Price") shall be equal to the Net Asset Value per Share less a redemption charge (if any) as specified in the relevant Sub-Fund Appendix.

The articles of incorporation of the Company (the "Articles of Incorporation") contain certain provisions granting to the board of directors of the Company (the "Board of Directors") the power to impose restrictions on the holding and acquisition of Shares (see section entitled "*Restrictions on Ownership of Shares*"). If a person subsequently becomes the owner of Shares in a situation described in the Company's Articles of Incorporation and if such fact comes to the attention of the Company, the Shares owned by that person may be compulsorily redeemed by the Company.

Prospective subscribers/purchasers of Shares must themselves obtain all necessary information as to the legal requirements, exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

## **MANAGEMENT AND ADMINISTRATION**

### **UI, as THE COMPANY**

15, rue de Flaxweiler  
L-6776 Grevenmacher  
Grand Duchy of Luxembourg

### **DIRECTORS OF THE COMPANY**

Bernhard Heinz  
Chairman and Member of the Board of Directors of the Company  
15, Rue de Flaxweiler, L-6776 Grevenmacher  
Grand-Duchy of Luxembourg

Alexander Fischer  
Member of the Board of Directors of the Company  
15, Rue de Flaxweiler, L-6776 Grevenmacher  
Grand-Duchy of Luxembourg

Nicole Schmidt-Troje  
Member of the Board of Directors of the Company  
1, Hauptstrooss, L-6869 Wecker  
Grand Duchy of Luxembourg

### **MANAGEMENT COMPANY**

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

Equity capital: EUR  
28,226,750.81 (as at 30 September 2022)

### **MANAGEMENT BOARD OF THE MANAGEMENT COMPANY**

Martin Groos  
Member of the Board  
Universal-Investment-Luxembourg S.A.  
Grevenmacher

Matthias Müller  
Member of the Management Board  
Universal-Investment-Luxembourg S.A.  
Grevenmacher

Bernhard Heinz  
Member of the Management Board  
Universal-Investment-Luxembourg S.A.  
Grevenmacher

### **SUPERVISORY BOARD OF THE MANAGEMENT COMPANY**

Frank Eggloff  
Chairperson of the Supervisory Board  
Universal-Investment Gesellschaft mbH  
Frankfurt/M.

Markus Neubauer  
Member of the Supervisory Board  
Universal-Investment Gesellschaft mbH  
Frankfurt

Heiko Laubheimer  
Member of the Supervisory Board  
Universal-Investment Gesellschaft mbH  
Frankfurt/M.

(\*Up-to-date information on the equity capital of the Management Company is provided in the latest Annual and Semi-Annual Reports.)

**DEPOSITARY**

State Street Bank International GmbH,  
Luxembourg Branch  
49, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**REGISTRAR- TRANSFER AND PAYING AGENT**

State Street Bank International GmbH,  
Luxembourg Branch  
49, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

**CENTRAL ADMINISTRATION, DOMICILIARY  
AND CORPORATE AGENT**

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

**GLOBAL DISTRIBUTOR**

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

**AUDITOR**

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

**SUB-FUND SPECIFIC SERVICE PROVIDERS**

**UI – Petrus Advisers Special Situations Fund UCITS**

**PORTFOLIO MANAGER**

Petrus Advisers Ltd.  
6 New Street Square, New Letter Lane  
London EC4A 3AQ  
United Kingdom

**DISTRIBUTOR**

Petrus Advisers Ltd.  
6 New Street Square, New Letter Lane  
London EC4A 3AQ  
United Kingdom

**UI – Aktia EM Frontier Bond+**

**PORTFOLIO MANAGER**

Aktia Bank Plc  
Arkadiankatu 4-6  
FI-00101 Helsinki  
Finland

**DISTRIBUTOR**

Aktia Bank Plc  
Arkadiankatu 4-6  
FI-00101 Helsinki  
Finland

**UI – Aktia EM Local Currency Bond+**

**PORTFOLIO MANAGER**

Aktia Bank Plc  
Arkadiankatu 4-6  
FI-00101 Helsinki  
Finland

**DISTRIBUTOR**

Aktia Bank Plc  
Arkadiankatu 4-6  
FI-00101 Helsinki  
Finland

**UI – Four Seasons Alpha Max Japan Fund**

**PORTFOLIO MANAGER**

Four Seasons Asia Investment Pte.  
163 Penang Road, #04-02 Winsland House II  
Singapore 238463

**DISTRIBUTOR**

Four Seasons Asia Investment Pte.  
163 Penang Road, #04-02 Winsland House II  
Singapore 238463

**UI – Hansabay Blossom Fund**

**PORTFOLIO MANAGER**

Santa Lucia Asset Management PTE.LTD  
65 Chulia Street #43-05/06 – OCBC Centre  
Singapore 048619

**DISTRIBUTOR**

Santa Lucia Asset Management PTE. LTD  
65 Chula Street #43-05/06 – OCBC Centre  
Singapore 048619

**UI – Aktia Sustainable Corporate Bond Fund**

**PORTFOLIO MANAGER**

Aktia Bank Plc  
Arkadiankatu 4-6  
FI-00101 Helsinki  
Finland

**DISTRIBUTOR**

Aktia Bank Plc  
Arkadiankatu 4-6  
FI-00101 Helsinki  
Finland

## **THE COMPANY**

The Company was established in Luxembourg on 21 July 2015 and is registered at the Register of Commerce and Companies of Luxembourg under number B 199203. The Company's articles of incorporation have been published in the RESA, Recueil électronique des sociétés et associations (the "RESA") on 14 August 2015.

The minimum share capital of the Company is the equivalent of EUR 1,250,000, which shall be reached within six (6) months from its constitution.

The Company has its registered office at 15, rue de Flaxweiler, L-6776 Grevenmacher, Grand Duchy of Luxembourg.

The Company has adopted the status of an investment company with variable capital and qualifies as a collective investment undertaking under Part I of the Luxembourg Law of the 2010 Law.

The Company was established for an unlimited period of time. Its financial year begins on 1 October and closes 30 September of each year.

## **THE MANAGEMENT COMPANY**

The Company is managed by Universal-Investment-Luxembourg S.A., a management company pursuant to Chapter 15 of the 2010 Law and as alternative investment fund manager pursuant to Chapter 2 of the Luxembourg law of 12 July 2013 on alternative investment fund managers as amended.

Universal-Investment-Luxembourg S.A., a public limited company subject to the laws of the Grand Duchy of Luxembourg was established on 17 March 2000 in Luxembourg for an unlimited period of time. It has its registered office at 15, rue de Flaxweiler, L-6776 Grevenmacher.

The Articles of Incorporation of the Management Company were published in the Mémorial C, Recueil des Sociétés et Associations ("Mémorial") (replaced by the electronic collection of companies and associations (Recueil électronique des sociétés et associations - hereinafter "RESA") on June 3, 2000 and filed with the Luxembourg Commercial and Companies Register (R.C.S. Luxembourg). The Articles of Incorporations of the Management Company were last amended by resolution of the General Meeting of Universal-Investment-Luxembourg S.A. on 7 October 2022. The amendment to the Articles of Incorporation has been published on 20 October 2022 by RESA and deposited with the Luxembourg Commercial and Company Register.

The Management Company has three Supervisory Board members who make up the Supervisory Board. The Management Company also has a Management Board consisting of four members appointed by the Supervisory Board who are entrusted with the day-to-day management of the Company in accordance with the provisions of the law of 2013 and within the limits of the powers granted by the Articles of Incorporation and who represent the Management Company vis-à-vis third parties (the "Management Board"). The Management Board ensures that the Management Company and the respective service providers perform their duties in accordance with the relevant laws and regulations and this Prospectus. The Management Board will report to the Supervisory Board on a regular basis or as necessary on an ad hoc basis. The Supervisory Board exercises permanent control over the management of the Management Company by the Management Board without being authorised to manage the day-to-day business on its own and does not represent the Management Company in dealings with third parties.

The object of the Management Company is the formation and management of investment funds subject to Luxembourg law and the performance of all activities associated with the launch and management of these funds.

The tasks assigned to the Management Company include portfolio management, risk management, administrative tasks and sales and marketing. These tasks may be partially or wholly delegated to third parties.

The Company can perform any other transactions and take any other measures that promote its interests or promote or are in any other way useful for its object, and are in accordance with Chapter 15 of the 2010 Law.



The names and sales documentation for all of the funds managed by the Management Company are available at the Company's registered office.

Furthermore, the Management Company can obtain advice from one or more investment advisers and/or may appoint one or more portfolio managers that receive a fee from the assets of the Company in return.

The Management Company is subject to the applicable regulatory provisions governing the establishment of remuneration systems in accordance with Chapter 15 of the Law of 2010. Universal-Investment has set out the detailed arrangements in its remuneration policy. The remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS that the Universal-Investment-Luxembourg S.A. manages. The remuneration policy is in line with the business strategy, objectives, values and interests of Universal-Investment-Luxembourg S.A. and the UCITS that it manages and of the investors in such UCITS, and includes measures to avoid conflicts of interest.

At least once a year, a remuneration committee of the Universal-Investment Group checks the remuneration system of Universal-Investment for its adequacy and compliance with all legal provisions. It covers fixed and variable remuneration aspects.

The payment of performance-based remuneration is set in a multi-year framework in order to ensure that the payment of such remuneration is based on the long-term performance of the UCITS and its investment risks. Establishing ranges for the entire remuneration ensures that there is no significant dependence on the receipt of variable remuneration and that the relationship between the fixed and variable remuneration is appropriate. In addition to the aforementioned remuneration elements, employees of the Management Company can obtain voluntary employer benefits-in-kind as well as material and retirement benefits.

Further details on the Management Company's current remuneration policy have been published online at [www.universal-investment.com/en/Remuneration-system-Luxemburg](http://www.universal-investment.com/en/Remuneration-system-Luxemburg). They include a description of the valuation methods for remunerations and payments to certain employee groups, as well as details of the persons responsible for allocation, including the composition of the remuneration committee. On request, the Management Company will provide information in hard copy free of charge.

## **THE PORTFOLIO MANAGERS**

The Management Company may appoint different portfolio managers (each a "Portfolio Manager") for one or several Sub-Funds as shall be indicated in the relevant Sub-Fund Appendix. Each Portfolio Manager will, subject to the overall responsibility and control of the Management Company, make investment decisions and take responsibility for the day-to-day discretionary management of the assets of the relevant Sub-Funds.

A description of each Portfolio Manager is set forth in the relevant Appendix of each Sub-Fund. Upon new appointment or removal of a Portfolio Manager notice will be given to the investors concerned and the Prospectus will be updated accordingly.

Pursuant to the portfolio management agreements (the "Portfolio Management Agreements"), each Portfolio Manager, in accordance with the investment objective and policies of the relevant Sub-Fund adopted by the Company, manages the investment and reinvestment of the assets of such Sub-Fund and is responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by it at its discretion.

Under the Portfolio Management Agreements, each of the Portfolio Managers is entitled to receive ~~a~~ a management fee calculated and payable as set out in the Appendix of the relevant Sub-Fund. A performance fee may also become payable on the terms set out in the description of the Sub-Fund in the relevant Appendix.

## **INVESTMENT ADVISERS**

The Management Company may appoint different investment advisers (each an "Investment Adviser") for one or several Sub-Funds as shall be indicated in the relevant Sub-Fund Appendix.

A Portfolio Manager may also appoint one or several Investment Advisers at its own cost and under its own responsibility, supervision, diligence and care.

The Investment Adviser monitors the security markets and analyses the composition of securities portfolios and other investment of Sub-Fund's assets. The Investment Adviser provides the Management Company/Portfolio Manager with investment recommendations taking into account the principles of the investment policy and investment limits described in the relevant Sub-Fund Appendix. However, the responsibility for all investment decisions remains with the Management Company/Portfolio Manager. The remuneration of the Investment Adviser is paid from the respective Sub-Fund's assets.

## **THE DEPOSITARY**

The Fund has appointed State Street Bank International GmbH, acting through its Luxembourg Branch as its Depositary pursuant to the Depositary Agreement. State Street Bank International GmbH is a limited liability company organized under the laws of Germany, having its registered office at Brienner Str. 59, 80333 München, Germany and registered with the commercial register court, Munich under number HRB 42872. It is a credit institution supervised by the European Central Bank (ECB), the German Federal Financial Services Supervisory Authority (BaFin) and the German Central Bank. State Street Bank International GmbH, Luxembourg Branch-, having its registered office at 49, Avenue J.F. Kennedy, L-1855 Luxembourg is authorized by the CSSF in Luxembourg to act as depositary and is specialized in depositary, fund administration, and related services. State Street Bank International GmbH, Luxembourg Branch is registered in the Luxembourg Commercial and Companies' Register (RCS) under number B 148186.

### **Depositary's functions**

The relationship between the Fund and the Depositary is subject to the terms of a Depositary Agreement Under these terms the Depositary is entrusted with the following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the articles of incorporation.
- ensuring that the value of the Shares is calculated in accordance with applicable law and the articles of incorporation.
- carrying out the instructions of the Company unless they conflict with applicable law and the articles of incorporation.
- ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits.
- ensuring that the income of the Company is applied in accordance with applicable law and the articles of incorporation.
- monitoring of the Company's cash and cash flows
- safe-keeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

### **Depositary's liability**

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation, the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depository directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depository is indemnified by the Company against all liabilities suffered or incurred by the Depository by reason of the proper performance of the Depository's duties under the terms of the Depository Agreement save where any such liabilities arise as a result of the Depository's negligence, fraud, bad faith, wilful default or recklessness of the Depository or the loss of financial instruments held in custody.

The Depository will be liable to the Company for all other losses suffered by the Company as a result of the Depository's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depository shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depository of its duties and obligations.

### **Delegation**

The Depository has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depository's liability shall not be affected by any delegation of its safe-keeping functions under the Depository Agreement.

The Depository has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at State Street Financial Center, One Congress Street, Suite 1, Boston, MA 02114-2016, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK whom it has appointed as its global sub-custodian. State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are available at the registered office of the Management Company or at the following website: [www.statestreet.com/disclosures-and-disclaimers/lu/subcustodians](http://www.statestreet.com/disclosures-and-disclaimers/lu/subcustodians).

### **Conflicts of Interest**

The Depository is part of an international group of companies and businesses ("State Street") that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depository or its affiliates engage in activities under the depository agreement or under separate contractual or other arrangements. Such activities may include:

(i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;

(ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depository or its affiliates:

(i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and—, except as required by law, are not bound to disclose to, the Company, any such profits or compensation in any form earned by affiliates of the Depository or the Depository when acting in any other capacity, including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;

(ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;

(iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;

(iv) may provide the same or similar services to other clients including competitors of the Company and the fee arrangements it has in place will vary;

(v) may be granted creditors' and other rights by the Company-, e.g. indemnification which it may exercise in its own interest. In exercising such rights the Depository or its affiliates may have the advantage of an increased knowledge about the affairs of the Company relative to third party creditors thus improving its ability to enforce and may exercise such rights in a way that may conflict with the Company's strategy.

The Company may use an affiliate of the Depository to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company. The Depository will not, except as required by law, disclose any profit made by such affiliates.

Where cash belonging to the Company is deposited with an affiliate being a bank, cash is not segregated from its own assets and a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Management Company may also be a client or counterparty of the Depository or its affiliates –and a conflict may arise where the Depository refuses to act if the Management Company directs or otherwise instructs the Depository to take certain actions that might be in direct conflict with the interests of the investors in a Fund.

The types and levels of risk that the Depository is willing to accept may conflict with the Company's preferred investment policy and strategy.

Potential conflicts that may arise in the Depository's use of sub-custodians include ~~four~~ five broad categories:

(1) our global custodian and sub-custodians seek to make a profit as part of or in addition to their custody services. Examples include profit through the fees and other charges for the services, profit from deposit taking activities, revenue from sweeps and repo arrangements, foreign exchange transactions, contractual settlement, error correction (where consistent with applicable law) and commissions for sale of fractional shares;

(2) The Depository will typically only provide depository services where global custody is delegated to an affiliate of the Depository. Our global custodian in turn appoints a network of affiliated and non-affiliated sub-custodians. Multiple factors influence the determination of our global custodian to engage a particular sub-custodian or allocate assets to them, including their expertise and capabilities, financial condition, service platforms and commitment to the custody business as well as the negotiated fee structure (which may include terms that result in fee reductions or rebates to the global custodian), significant business relationships and competitive considerations;

(3) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests and the fee arrangements they have in place will vary;

4) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depository as its counterparty, which might create incentive for the Depository to act in its self-interest, or other clients' interests to the detriment of clients; and

5) sub-custodians may have creditors' rights against client assets and other rights that they have an interest in enforcing.

In carrying out its duties the Depository shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholder.

The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest to be properly identified, managed and monitored. Additionally, in the context of the Depositary's use of sub-custodians, the Depositary imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depositary makes available frequent reporting on clients' activity and holdings, with the underlying sub-custodians subject to internal and external control audits. Finally, the Depositary segregates the Company's assets from the Depositary's proprietary assets and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

#### **Global Conflicts of Interest policy**

State Street has implemented a global policy laying down the standards required for identifying, assessing, recording and managing all conflicts of interest which may arise in the course of business. Each State Street business unit, including the Depositary, is responsible for establishing and maintaining a Conflicts of Interest Program for the purpose of identifying and managing organizational conflicts of interest that may arise within the business unit in connection with providing services to its clients or in delivering its functional responsibilities.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

#### **THE REGISTRAR- TRANSFER- AND PAYING AGENT**

With the consent of the Fund, the Management Company has appointed State Street Bank International GmbH, Luxembourg Branch, having its registered office at 49, Avenue J.F. Kennedy, L-1855 Luxembourg also as registrar and transfer agent and paying agent of the Fund. The functions of the registrar and transfer agent are executions of applications or orders for the subscription, conversion, redemption and transfer of shares/units.

#### **THE DOMICILIARY AND CORPORATE AGENT**

Universal-Investment-Luxembourg S.A. has been appointed by the Company as Domiciliary and Corporate Agent as of 21 July 2015.

#### **THE INDEPENDENT AUDITOR**

Deloitte Audit, S.à r.l. (hereinafter "Deloitte"), as appointed Auditor, having its registered office in the Grand Duchy of Luxembourg at 20, Boulevard de Kockelscheuer, L-1821 Luxembourg, registered with the Luxembourg register of commerce and companies under number B67895. Deloitte has substituted KPMG Audit S.à r.l., as the independent auditor of the Company.

#### **INVESTOR PROFILE**

The investor profile of each Sub-Fund is described in the relevant Appendix of this Prospectus.

#### **GENERAL INVESTMENT OBJECTIVES AND POLICY**

The Sub-Fund's assets can be invested in all types of assets authorised under the 2010 Law while observing the principle of risk spreading. The respective investment objective and policy of each Sub-Fund is set forth in the description of the relevant Appendix.

**Although the Company will do its utmost to achieve the investment objectives of each Sub-Fund, there can be no guarantee to which extent these objectives will be reached. Consequently, the net asset values of the Shares may increase or decrease and positive or negative returns of different levels may arise.**

#### **GENERAL INVESTMENT PRINCIPLES AND RESTRICTIONS**

The Company and its Sub-Funds are subject to the following general investment principles and restrictions for undertakings for collective investment in transferable securities, in accordance with the 2010 Law.

## 1. Eligible investments

(a) The Company will invest only in:

(i) Eligible Transferable Securities and Money Market Instruments, which consists in:

- transferable securities and money market instruments admitted to or dealt in on a stock exchange in an eligible state (within the meaning of Directive 2004/39/EG) (the "Eligible State", being any member of the Organisation for Economic Co-operation and Development ("OECD") and any other country of Europe, North and South America, Africa, Asia and the Pacific Basin);
- transferable securities and money market instruments dealt in on another regulated market (the "Regulated Market") in an Eligible State, which operates regularly and is recognised and open to the public;

(ii) recently issued Eligible Transferable Securities and Money Market Instruments PROVIDED THAT:

- the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or to another regulated market which operates regularly and is recognised and open to the public, provided that the choice of the stock exchange or the market has been provided for in the constitutional documents of the Company; and
- such admission is secured within one year of issue;

PROVIDED THAT the Company may also invest in transferable securities and money market instruments which are not Eligible Transferable Securities and Money Market Instruments provided that the total of such investments other than Eligible Transferable Securities and Money Market Instruments shall not exceed 10 per cent of the net assets of the relevant Sub-Fund;

(iii) UCITS authorised according to Directive 2009/65/EC, as may be amended from time to time and/or other UCIs within the meaning of Article 1, paragraph (2) first and second indents of said Directive, should they be situated in an EU Member State or not, PROVIDED THAT:

- such other UCIs are authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU Community law, and that co-operation between authorities is sufficiently ensured;
- the level of protection for shareholders in the other UCIs is equivalent to that provided for shareholders in a UCITS and in particular that the rules on asset segregation, borrowing, lending, uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as may be amended from time to time;
- the business of the other UCIs is reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period;
- no more than 10 per cent of the UCITS's or the other UCI's assets, whose acquisition is contemplated, can, according to their constitutional documents, be invested in aggregate in units of other UCITS or other UCIs;

A Sub-Fund can, under the conditions provided for in article 181 paragraph 8 of the 2010 Law, invest in Shares issued by one or several other Sub-Funds of the Company.

(iv) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than twelve months, provided that the credit institution has its registered office in

an EU Member State or, if the registered office of the credit institution is situated in a non-EU Member State, provided that it is subject to prudential rules considered by the Commission de Surveillance du Secteur Financier ("CSSF") as equivalent to those laid down in EU law.

- (v) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a Regulated Market; and/or financial derivative instruments dealt in over the counter ("OTC Derivatives"), PROVIDED THAT:
- the underlying consists of instruments covered by Article 41, paragraph (1) of the 2010 Law, financial indices, interest rates, foreign exchange rates or currencies, in which the Company may invest according to its investment objectives as stated in the constitutive documents of the Company;
  - the counterparties to OTC Derivative transactions are financial institutions subject to prudential supervision, and belonging to the categories approved by the CSSF; and
  - the OTC Derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative;
- (vi) money market instruments other than those dealt in on a Regulated Market, which are liquid and whose value can be determined with precision at any time, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, and PROVIDED THAT they are:
- issued or guaranteed by a central, regional or local authority or central bank of an EU Member State, the European Central Bank, the European Union or the European Investment Bank, a non-EU Member State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong; or
  - issued by a company any securities of which are dealt in on a Regulated Market; or
  - issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU Law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU Law; or
  - issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second and the third indents above in this paragraph (vi) and provided that the issuer is a company whose capital and reserves amount to at least ten million Euros (Euro 10,000,000) and which presents and publishes its annual accounts in accordance with the fourth Directive 78/660/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

However, the Company may acquire movable and immovable property which is essential for the direct pursuit of its business.

the Fund may invest up to 10% of its net fund assets in securities and money market instruments other than those named in 1 (a).

The Company may hold ancillary liquid assets. Such ancillary liquid assets are bank deposits at sight with a limit of 20% of the net assets of each sub-Fund,

## **2. Investment restrictions**

- (a) The Company may invest no more than 10 per cent of the net assets of the relevant Sub-Fund in transferable securities and money market instruments issued by the same issuing body. The Company

may not invest more than 20 per cent of the net assets of the relevant Sub-Fund in deposits made with the same body.

The risk exposure to a counterparty of the Company in an OTC Derivative transaction may not exceed 10 per cent of the net assets of the relevant Sub-Fund when the counterparty is a credit institution referred to in paragraph (1) (a) (iv) above or 5 per cent of the net assets of the relevant Sub-Fund in other cases.

- (b) The total value of the transferable securities and money market instruments held by the Company in the issuing bodies in each of which it invests more than 5 per cent of the net assets of the relevant Sub-Fund must not exceed 40 per cent of the net assets of the relevant Sub-Fund. This limitation does not apply to deposits made with financial institutions subject to prudential supervision and to OTC Derivatives with such institutions. Notwithstanding the individual limits laid down in paragraph 2(a) above, the Company may not combine:

- investments in transferable securities or money market instruments issued by a single body;
- deposits made with a single body; and/or
- exposure arising from OTC Derivative transactions undertaken with a single body,

in excess of 20 per cent of the net assets of the relevant Sub-Fund.

- (c) The limit laid down in paragraph 2 (a), first sentence is increased to a maximum of 35 per cent if the transferable securities and money market instruments are issued or guaranteed by an EU Member State, its local authorities, by a non EU Member State or by public international bodies of which one or more EU Member States are members.
- (d) The limit laid down in paragraph 2 (a), first sentence is raised to a maximum of 25 per cent for certain Transferable Debt Securities if they are issued by a credit institution having its registered office in an EU Member State and which is subject, by law, to special public supervision designed to protect the holders of Transferable Debt Securities. In particular, sums deriving from the issue of such Transferable Debt Securities must be invested pursuant to the 2010 Law in assets which, during the whole period of validity of such Transferable Debt Securities, are capable of covering claims attaching to the Transferable Debt Securities and which, in the event of bankruptcy of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

When the Company invests more than 5 per cent of its net assets in such Transferable Debt Securities as referred to in the preceding paragraph and issued by one issuer, the total value of these investments may not exceed 80 per cent of the value of the relevant Sub-Fund's net assets.

- (e) The transferable securities and money market instruments referred to in paragraphs 2 (c) and 2 (d) are not taken into account for the purpose of applying the limit of 40 per cent referred to in paragraph 2 (b).

The limits set out in paragraphs 2 (a), (b), (c) and (d) may not be combined; thus investments in transferable securities or money market instruments issued by the same body, in deposits or derivative instruments made with this body carried out in accordance with paragraphs 2 (a), (b), (c) and (d) shall under no circumstances exceed in total 35 per cent of the net assets of the relevant Sub-Fund.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in Directive 83/349/EU, as amended, or in accordance with recognised international accounting rules are regarded as a single body for the purpose of calculating the limits contained in paragraphs 2 (a) to (e).

The Company may invest in aggregate up to 20 per cent of the net assets of the relevant Sub-Fund in transferable securities and money market instruments within the same group.

- (f) **Notwithstanding paragraphs 2 (a) to (e) above, the Company is authorised to invest in accordance with the principle of risk spreading up to 100 per cent of the net assets of the relevant Sub-Fund in**



**transferable securities and money market instruments issued or guaranteed by an EU Member State, by its local authorities, by another member of the OECD, the G20 as well as Hong-Kong and Singapore or by public international bodies of which one or more EU Member States are members, provided that the Company holds transferable securities from at least six different issues and transferable securities from one issue do not account for more than 30 per cent of the total net assets of the relevant Sub-Fund.**

(g)

(i) The Company or the Management Company may not acquire any Shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

(ii) Moreover, the Company may acquire no more than:

10 per cent of the non-voting Shares of the same issuer;

10 per cent of the Transferable Debt Securities of the same issuer;

25 per cent of the units of the same UCITS and/or other UCI;

10 per cent of the money market instruments issued by the same issuer.

(iii) The limits laid down in the second, third and fourth indents may be disregarded at the time of acquisition if at that time the gross amount of Transferable Debt Securities or money market instruments or the net amount of the transferable securities in issue cannot be calculated.

(iv) The limits contained in paragraphs (g) (i) and (g) (ii) are waived as regards

- transferable securities and money market instruments issued or guaranteed by a EU Member State or its local authorities;
- transferable securities and money market instruments issued or guaranteed by a non-Member State of the European Union;
- transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
- Shares held by UCITS in the capital of a company incorporated in a non-Member State of the European Union which invests its assets mainly in the transferable securities of issuing bodies having their registered office in that State, where under the legislation of that State, such a holding represents for the UCITS the only way in which it can invest in the transferable securities of issuing bodies of that State. This derogation, however, shall apply only if in its investment policy the company from the non-Member State of the European Union complies with the limits laid down in Articles 43 and 46 and Article 48, paragraphs (1) and (2) of the 2010 Law. Where the limits set in Articles 43 and 46 of the 2010 Law are exceeded, Article 49 of the 2010 Law shall apply mutatis mutandis;
- Shares held by one or several investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on its or their behalf.

(h)

(i) The Company shall not acquire securities which entail unlimited liability;

(ii) The Company's assets must not be invested in real estate, precious metals, precious metal contracts, commodities or commodities contracts;

- (iii) The Company shall not acquire Shares or units of UCITS and/or other UCIs for more than 10% of a single Sub-Fund's assets.

The investment policy of a Sub-Fund may derogate from the preceding restriction, provided that in such event the Company shall not invest more than 20 per cent of the net assets of the relevant Sub-Fund in a single UCITS or UCI as defined in point 1 (a) (iii) above. For the purposes of applying this investment limit, each compartment of a UCITS or UCI with multiple compartments shall be considered as a separate issuer, provided that the principle of segregation of liabilities of the different compartments is ensured in relation to third parties.

Investments in other UCIs may not exceed in aggregate 30 per cent of the net assets of the relevant Sub-Fund. When the Company has acquired units of UCITS and/or other UCIs, the assets of the respective UCITS or other UCIs do not have to be combined for the purposes of the limits laid down in paragraphs 2 (a) to (e) above.

Notwithstanding the above, the Board of Directors may decide, under the conditions provided for in Chapter 9 of the 2010 Law, that a Sub-Fund ("Feeder") may invest 85% or more of its assets in units of another UCITS ("Master") authorised according to Directive 2009/65/EC (or a Sub-Fund of such UCI).

No subscription or redemption fees may be charged to the Company if the Company invests in the units of UCITS and/or other UCIs that are managed, directly or by delegation, by the Management Company or the Portfolio Manager (the "Portfolio Manager", as further defined in the relevant Appendix) or by any other company with which the Management Company or the Portfolio Manager is linked by common management or control, or by a substantial direct or indirect holding. If the Company invests a substantial proportion of its net assets in other UCITS and/or UCIs then it shall disclose in its prospectus the maximum level of the management fees that may be charged both to the Company and to the other UCITS and/or UCIs in which it intends to invest. In its annual report the Company shall indicate the maximum percentage of management fees charged both to the Company itself and to the UCITS and/or other UCI in which it invests;

- (iv) the company may not purchase any Eligible Transferable Securities or Money Market Instruments on margin or make short sales of Eligible Transferable Securities or Money Market Instruments or maintain a short position. Deposits or other accounts in connection with derivative contracts such as option, forward or financial futures contracts, permitted within the limits described above, are not considered margins for this purpose;
- (v) the company may not borrow amounts in excess of 10 per cent of the net assets of the relevant Sub-Fund, taken at market value at the time of the borrowing provided that the borrowing is on a temporary basis; provided however that the Company may borrow amounts in excess of 10 per cent of the net assets of the Company, provided that the borrowing is to make possible the acquisition of immovable property essential for the direct pursuit of the Company's business; in such latter case these borrowings may not in any case exceed in total 15 per cent of the net assets of the Company;
- (vi) the company may not mortgage, pledge, hypothecate or in any manner encumber as security for indebtedness any securities owned or held by the Company, except as may be necessary in connection with the borrowings permitted by paragraph (e) above, on terms that the total market value of the securities so mortgaged, pledged, hypothecated or transferred shall not exceed that proportion of the Company's assets necessary to secure such borrowings; the deposit of securities or other assets in a separate account in connection with derivative contracts such as option, forward or financial futures transactions shall not be considered to be mortgage, pledge, hypothecation or encumbrance for this purpose;
- (vii) The Management Company and the Company may not, without prejudice to the application of Articles 41 and 42 of the 2010 Law, grant loans or act as a guarantor on behalf of third parties; the above paragraph shall not prevent the Company from acquiring transferable securities, money market instruments or other financial instruments referred to in Article 41, paragraph (1), items e), g) and h) of the 2010 Law which are not fully paid;

(viii) The Management Company and the Company may not carry out uncovered sales of transferable securities, money market instruments or other financial instruments referred to in Article 41, paragraph (1), items e), g) and h) of the 2010 Law;

- make investments in any assets involving the assumption of unlimited liability;
- underwrite transferable securities of other issuers;
- enter into securities lending transactions, repurchase agreements or reverse repurchase agreements-

(ix) Further investment restrictions can be found under the overview of the relevant sub-fund.

The Company does not necessarily need to comply with the limits laid down in this section when exercising subscription rights attaching to transferable securities or money market instruments which form part of its assets. While ensuring observance of the principle of risk-spreading, the Company may derogate from Articles 43, 44, 45 and 46 of the 2010 Law for a period of six months following the date of its authorisation.

If the limits referred to in the paragraph above are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, it must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.

## **EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES**

In accordance with the amended CSSF Circular 08/356, CSSF circular 13/559, amended with CSSF circular 14/592 and the "ESMA Guidelines on ETFs and other UCITS issues (ESMA/2014/937)" (the "ESMA Guidelines") techniques may be used for the respective Sub-Fund in order to efficiently manage the portfolio. Of these techniques, the Fund currently uses only derivative transactions, which may be entered into in any form..The counterparties and/or financial counterparties are selected according to the following criteria:

Counterparties which are determined in conjunction with OTC transactions of the Management Company as a counterparty must successfully complete a due diligence test. The following information is requested as part of the due diligence test and analysed accordingly:

- Proof of professional experience in relevant markets and approval from the competent supervisory authority
- Creditworthiness (corporate and/or credit rating and balance sheet figures)
- Company formation documents
- Organisational chart of the legal entity with a discernible separation of functions and rules of representation
- Current annual report of the counterparty
- Current list of signatures

After a positive assessment of the due diligence test, framework contracts and hedging agreements are agreed upon with the counterparty based on which transactions can be conducted with the counterparty. The due diligence test is repeated on a regular basis by the Management Company.

These counterparties will essentially comprise recipients of the direct and indirect costs and fees incurred in this connection. The costs and fees to be paid to the respective counterparty or other third party will be negotiated on market terms.

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

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

The Fund may reinvest cash which it receives as collateral in connection with the use of derivatives pursuant to the provisions of the applicable laws and regulations, including CSSF Circular 08/356, as amended by CSSF Circular 11/512, and the ESMA Guidelines.

Derivatives carry considerable opportunities but also high risks. Due to the leverage effect of these products, the sub-fund may incur substantial losses using relatively little capital. The following is a non-exhaustive list of derivatives, that can be used for the sub-fund:

#### **a) Swaps**

The Investment Manager may enter into swap transactions on behalf of the respective subfund in accordance with its investment principles.

A swap is an agreement between two parties whose subject is the exchange of cash flows, assets, income or risks. Swap transactions which can be entered into include but are not limited to; interest rate, currency, equity and credit default swaps.

An interest rate swap is a transaction in which two parties swap cash flows which are based on fixed or variable interest payments. The transaction can be compared to the adding of funds at a fixed rate of interest and the simultaneous allocation of funds at a variable interest rate, with the nominal sums of the assets not being swapped.

A currency swap is a swap that involves the exchange of principal and interest in one currency for the same in another currency.

A total return swap is a derivative contract as defined in Article 2, point 7 of Regulation (EU) 648/2012, in which one counterparty transfers to another the total return of a benchmark liability including income from interest and fees, gains and losses from exchange rate fluctuations, and credit losses. Total return swaps may take on various forms, e.g. asset swaps or equity swaps:

Asset swaps, also known as "synthetic securities", are transactions that convert the earnings from a particular asset to another rate of interest (fixed or variable) or to another currency, by combining the asset (e.g. bond, floating rate note, bank deposit, mortgage) with an interest rate swap or currency swap.

An equity swap is the exchange of payment flows, value adjustments and/or income from an asset in return for payment flows, value adjustments and/or income from another asset in which at least one of the exchanged payment flows or income from an asset represents a share or a share index.

The contracting parties should not be in a position to exert any influence on the composition or management of the sub-Fund's investment portfolio or the underlying assets of the derivatives.

Total return swaps may be used within the limits of the risk management process applied. The annex specific to the sub-fund describes which risk management process is applied.

The types of assets used in total return swaps may be the types of assets that are permissible in accordance with the investment policy of each sub-fund.

All returns generated in total return swaps accrue to the Fund's assets— net of all related costs including any transaction costs.

If total return swaps are used, the proportion of assets under management which is expected to be used in these transactions will be published for the respective (sub-)funds in the section entitled "Information for Shareholders" on the website of the Management Company.

## **b) Swaptions**

A swaption is the right, but not the obligation, to enter into a swap based on specified conditions, at a given time or within a given period. In other respects, the principles for swaptions are the same as those for options set out above.

## **c) Remarks**

The aforementioned techniques and instruments can, where appropriate, be amended by the Management Company if new instruments corresponding to the investment objective are offered on the market, which the respective sub-fund may apply in accordance with regulatory and statutory provisions.

### **1. Management of collateral for transactions with OTC derivatives**

The Company may contain collateral for transactions with OTC derivatives in order to reduce counterparty risk

In order to secure obligations, the Company may accept all collateral which corresponds to the rules of CSSF circulars 08/356, 11/512 and 14/592.

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

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

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

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

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

If collateral meets a series of criteria such as the standards for liquidity, valuation, the credit rating of the issuer, correlation and diversification, it may be offset against the gross commitment of the counterparty. If collateral is offset, its value may be reduced by a percentage rate as a result of the price volatility of the collateral (a "discount") which may trigger, amongst other things, short-term fluctuations in the value of the commitment and the collateral.

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

The discounts applied to collateral are influenced either by:

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

In order to adequately take into account the risks associated with the respective collateral, the Management Company determines whether the value of the collateral to be requested should be increased, or whether this value should be depreciated by a suitable conservative discount (haircut). The more volatile the value of the collateral is, the higher the discount will be.

The Administrative Board of the Management Company determines an internal regulation that defines the details on the above-mentioned requirements and values, particularly regarding the types of collateral accepted, the amounts to be added to and subtracted from the respective collateral, as well as the investment policy for liquid funds that are deposited as collateral.

The discounts applied will be examined at regular intervals and at least once a year to ensure that they are reasonable and, if necessary, shall be adjusted accordingly. Currently, the Management Company has determined the following requirements as well as applicable discounts and mark-ups in relation to the respective collateral:

**(a) Permitted collateral**

- Cash, call money with daily availability in EUR, USD, GBP or in the respective Fund currency. The delegee-bank shall be rated A or higher;
- government bonds, supra national bonds, government guaranteed bonds and bonds of German Federal States ("Bundesländer");
- corporate bonds;
- covered bonds pursuant to the regulations of Germany (German "Pfandbriefe") Denmark, Finland, France, Italy, Luxembourg, Norway, Sweden;");
- bonds in general: unlimited maturity, but higher haircuts (see below);
- ordinary Shares and preference Shares from a permitted index (s. Appendix A of the internal regulation)

Transferable securities shall have one of the following currencies: EUR, USD, DKK or GBP.

The counterparty and issuer of the collateral shall not belong to the same group.

**(b) Forbidden collateral**

- Structured products (e.g. embedded options, coupon or notional depending from a reference asset or trigger, stripped bonds, convertible bonds);
- securitizations (e.g. ABS, CDO);
- GDRs (Global Depositary Receipts) and ADRs (American Depositary Receipts);

**(c) Quality requirements**

The emission-rating (lowest of S&P, Moody's or Fitch) of bonds respectively the issuer-rating in case of Shares has to be of investment grade. Often, stricter requirements apply, e.g. AA rating, exemptions for determined funds are possible:

With respect to Funds, for which no collateral with a minimum rating of AA is available, a downgrade of the minimum rating within the range of investment-grade (at least equivalent to BBB-) is authorized. In this case higher haircuts have to be applied.

Collateral shall be rateable and liquid. Indicators for liquidity are:

- bid-ask-spread;

- existence of broker quotes;
- trade volume;
- time stamps respectively actuality of quotes.

The abovementioned indicators shall be evident on Bloomberg-pages with free access.  
The issuer shall be legally independent from the counterparty.

**(d) Quantity requirements**

(1) Concentration risk in relation to the collateral portfolio should be avoided respectively limited by the following measures/limits:

- the proportion of sector and country (outside the EURO zone) per fund with respect to a counterparty shall be of a maximum of 30 % of the overall collateral;
- the nominal of bonds per fund shall with respect to all counterparties shall be of a maximum of 10 % of the overall issue volume;
- the volume with respect to Shares shall not exceed 50 % of the average daily volume (on the basis of the last 30 days on the main stock exchange) and 1 % of the market capitalization.

AAA-rated government bonds are not subject to the abovementioned limits.

(2) haircut

With respect to the fact that CSSF Circular 11/512 requires the implementation of points 2 and 3 of Box 26 of the ESMA Guidelines 10-788 whereupon “for the valuation of the collateral presenting a significant risk of value fluctuation, UCITS should apply prudent discount rates”, the Management Company has determined discounts with respect to the different asset classes.

The current haircuts are as follows:

- in case of Shares 25 %;
- in case of cash in a foreign currency 4 %;
- in case of government bonds and covered bonds depending on the residual maturity:

<b>residual maturity</b>	<b>haircut</b>
0 – 2 years	1 %
2 - 5 years	2 %
5 - 10 years	3 %
> 10 years	5 %

The Management Company will examine the determined haircuts on a regular basis in order to identify if these values are still appropriate or if a revaluation is necessary given the current market conditions.

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

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

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

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

The description of each Sub-Fund in the relevant Appendix may contain additional parameters in this respect. In order to achieve the investment objective, the relevant Portfolio Manager may use (without limitation) the derivative instruments if and as provided in the relevant Sub-Fund Appendix.

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

Universal-Investment-Luxembourg S.A., as Management Company of the Company, does not act as securities lending agent. If Universal-Investment-Luxembourg S.A. takes over this function and activity, the Prospectus will be updated accordingly.

The Company's annual report will provide details on the identity of Companies associated with Universal-Investment-Luxembourg S.A. or the Depositary of the Company, provided they receive direct and indirect operational costs and fees.

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

The Management Company ensures that the collateral provided by a contracting partner is appropriately risk diversified in relation to issuers, among other things. It aggregates the collateral of the same issuers even if it is provided by numerous contracting partners. The collateral is valued according to the same methods as those used for assets held in the Fund.

Collateral in the form of cash may not be invested anew.

The Company and its Sub-Funds currently do not carry out securities financing transactions in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and re-use and amending Regulation (EU) No 648/2012. If the Management Company intends to use such securities financing transactions which fall under the Regulation (EU) 2015/2365 for the Company or its Sub-Funds, this Prospectus shall be amended accordingly.

#### **POTENTIAL CONFLICTS OF INTEREST**

The Company and the Management Company shall maintain adequate and effective organisational and administrative arrangements to take all reasonable steps to identify, prevent, settle and monitor conflicts of interest so as to prevent them from adversely affecting the interests of the Company and its shareholders.

If a member of the Board of Directors of the Company or a member of the Management Board or Supervisory Board of the Management Company has a personal interest that is contrary to the interests of the Company in connection with a business transaction of the Company, he will disclose his contrary personal interest and will not participate in any discussions or votes in connection with this business transaction. This business transaction, as well as the personal interest of the member of the Company's Supervisory Board or a member of the Management Board or Supervisory Board of the Management Company, will be reported to the subsequent shareholders' meeting or General Meeting. The above provisions do not apply to resolutions concerning day-to-day business entered into under normal conditions.

If a quorum cannot be reached due to a conflict of interest of one or more members of the Board of Directors of the Company or one or more members of the Management Board or Supervisory Board, valid resolutions shall be adopted by a majority of the members of the Board of Directors or members of the Management Board or Supervisory Board of the Management Company who are present or represented at such meeting.



No contract or other transaction between the Company and other companies or enterprises is affected or invalidated by the fact that one or more members of the Board of Directors or members of the Management Board or Supervisory Board of the Management Company has/have a personal interest or are directors or members of the Board of Directors, partners, shareholders, authorised signatories or employees of another company or enterprise. A director of the Company or a member of the Management Board or Supervisory Board who simultaneously exercises functions as a managing director, director, member of the Management Board, member of the Supervisory Board or employee in another company or firm with which the Company enters into contracts or otherwise enters into a business relationship is not prevented from expressing his opinion, casting his vote or performing any other actions on all matters relating to such contract or transaction for the sole reason of his membership of such company or firm.

The Management Company, its employees, agents and/or affiliates may act as directors, investment advisors, fund managers, central administration, registrar and transfer agent or otherwise as service providers for the fund or sub-fund. The function of depositary or sub-custodian entrusted with custody functions may also be performed by an affiliated company of the Management Company. The management company is aware that conflicts of interest may arise due to the various activities it carries out itself in relation to the management of the fund or sub-fund. In accordance with the Law of 17 December 2010 and the applicable management regulations of the CSSF, the Management Company has sufficient and appropriate structures and control mechanisms, in particular it acts in the best interests of the funds or sub-funds and ensures that conflicts of interest are avoided. Any conflicts of interest arising from the delegation of tasks are described in the "Policy on the management of conflicts of interest" published on the Management Company's website [www.universal-investment.com](http://www.universal-investment.com). Insofar as the interests of investors are affected by the occurrence of a conflict of interest, the Management Company will disclose the nature or sources of the existing conflict of interest on its website. If tasks are outsourced to third parties, the Management Company shall ensure that the third parties have taken the necessary measures to comply with all requirements for the organisation and avoidance of conflicts of interest as laid down in the applicable Luxembourg laws and regulations and shall monitor compliance with these requirements.

## **RISK MANAGEMENT PROCEDURE**

The Management Company has issued a risk management procedure describing all of the framework conditions, processes, measures, activities and structures that are relevant to the efficient and effective implementation and improvement of the risk management and risk reporting system. Pursuant to the 2010 Law and applicable regulatory circulars issued by the CSSF, the Management Company regularly sends a report to the CSSF about the risk management procedure that is applied. The regulatory circulars issued by the CSSF describe the code of conduct that undertakings for collective investment in transferable securities have to comply with as regards the application of a risk management procedure and the use of derivative financial instruments. In the regulatory circular of the CSSF, funds which are subject to Part 1 of the 2010 Law are referred to supplementary information on the use of a risk management procedure as defined in Article 42 (1) of the 2010 Law and on the use of derivative financial instruments as defined in Article 41 (1) g of that law.

The risk management policies mentioned in the regulatory circular must enable, among other things, the measurement of the market risk (including the overall risk), which could be significant for the fund in view of its investment objectives and strategies, the management style and methods used for the management of the fund and the valuation processes and which could therefore have a direct impact on the interests of the shareholders of the fund being managed.

To this end, the Management Company employs the following methods provided for in accordance with the legal requirements:

### *Commitment Approach:*

In the "Commitment Approach", the positions from derivative financial instruments are converted into their equivalent positions in the underlying assets using the delta approach (in the case of options). Netting and hedging effects between derivative financial instruments and their underlying assets are taken into account in the process. The total of these equivalent positions in the underlying assets may not exceed the total net value of the fund's portfolio.

### *VaR Approach:*

The Value-at-Risk (VaR) ratio is a mathematical and statistical concept, which is used as a standard measure of risk in the financial sector. The VaR indicates which loss level will not be exceeded within a given time period (called the holding period)-and at a given probability level (called the confidence level).

*Relative VaR Approach:*

In the relative VaR approach, the VaR (confidence level 99%, 1 day holding period, 1 year observation period) of the fund may not exceed the VaR of a reference portfolio by more than a given ratio (called VaR limit level) in relation to the market risk potential of derivative-free reference assets. With this approach, the reference portfolio is strictly a representation of the fund's investment policy.

*Absolute VaR Approach:*

In the absolute VaR approach, the VaR (99% confidence level, 1 day holding period, 1 year observation period) of the fund may not exceed a given ratio of the fund's assets.

*Leverage:*

The use of derivatives can have a positive or negative major impact on the value of the fund's assets which could be higher compared to the direct investment into the asset. Due to these circumstances the investment into derivatives is connected to special risks.

Please note the leverage effect can turn out to be higher as the legal market risk limit from the VaR determination since -its calculation is based on the total nominal values of the derivatives (Sum of Notional) held by the fund. Any possible reinvestment effects arising from securities in repurchase agreements are also taken into account. The actual leverage, on the other hand, is subject to fluctuations on the security markets over the course of time and can therefore also turn out to be higher as expected as a result of exceptional market conditions.

As a result of the sum of notional calculation rules this, the leverage can be significant (in certain cases) and may not necessarily represent the exact leverage risk that the investor sees himself as facing. The expected leverage is therefore not a target value, but an expected value that may, as an average estimate, consist of lower and higher leverages. Consequently, the leverage is not an investment restriction and no compensation can be claimed in events of disregard.

Specific Information and the description of the Risk Management Procedure for each Sub-Fund will be described in the description of the Appendix relating to the relevant Sub-Fund.

## **RISK FACTORS**

The following statements are intended to inform Shareholders of the uncertainties and risks associated with investments and transactions in transferable securities, money market instruments, structured financial instruments and other financial derivative instruments. Shareholders should remember that the price of Shares and any income from them may fall as well as rise and that Shareholders may not get back the full amount invested. **Past performance is not necessarily a guide to future performance and Shares should be regarded as a medium to long-term investment.** Where the currency of the relevant Sub-Fund varies from the investor's currencies, or where the currency of the relevant Sub-Fund varies from the currencies of the markets in which the Sub-Fund invests, the prospect of additional loss (or the prospect of additional gain) to the investor is greater than the usual risks of investment.

Investment objectives express an intended result but there is **no guarantee** that such a result will be achieved. Depending on market conditions and the macro- economic environment, investment objectives may become more difficult or even impossible to achieve. **There is no express or implied assurance as to the likelihood of achieving the investment objective for a Sub-Fund.**

The investment performance of each Sub-Fund is directly related to the investment performance of the underlying investments held by such Sub-Fund. The ability of a Sub-Fund to meet its investment objective depends upon the allocation of the Sub-Fund's assets among the underlying investments and the ability of an underlying investment to meet its own investment objective. It is possible that an underlying investment will fail to execute its investment strategies effectively. As a result, an underlying investment may not meet its investment objective, which would affect the Sub-Fund's investment performance.

## **General risks**

### **Market risk**

The following risks may have a negative impact on the performance of the Fund/Sub-Fund and the assets held in the Fund/Sub-Fund and may therefore also have a detrimental effect on the unit value. If the investor sells units in the investment fund at a time when the market price of assets in the investment fund has decreased compared to when the unit purchase was made, it will not or not entirely get back the money it invested in the investment fund. The investor may lose part or even all of the capital it has invested in the Fund/Sub-Fund. The assets in which the Company invests for the account of the Fund/Sub-Fund involve risks. Losses can occur if the market value of the assets decreases compared to the cost price or spot and futures prices develop differently. However, the investor's risk is limited to the amount invested. Investors are not obliged to provide any supplementary funding in addition to the money invested. The performance of financial product prices or the market value particularly depends on that of the capital markets which in turn is affected by the general situation of the global economy and the economic and political situations in the relevant countries. Irrational factors such as sentiment, opinions and rumours may, in particular, have an impact on the general trend of a stock market. Fluctuations in the prices and market values may also lead to changes in interest rates, exchange rates or the creditworthiness of an issuer.

### **Liquidity risk**

Liquidity risk is the risk that a position in the investment fund portfolio cannot be sold, liquidated or concluded within a sufficiently short period with limited costs and that this hinders the ability of the investment fund to meet the requirements for fulfilling the redemption request or other payment obligations. The following risks may therefore have a negative impact on the liquidity of the Fund. This may lead to the Fund/Sub-Fund not being able to meet its payment obligations temporarily or permanently and not being able to fulfil the redemption requests temporarily or permanently. The investor may not be able to hold its investment for the length of time envisaged and the invested capital or parts thereof may not be available to it for an indefinite period. The net asset value of the Fund/Sub-Fund and therefore the unit value may also drop through the realisation of liquidity risks, for example if the Company is forced to sell the assets for the Fund/Sub-Fund below the market value as far as is legally possible.

### **Derivatives**

In addition to the disproportionately high profit opportunities, a potentially significant loss of the invested capital cannot be ruled out when trading derivatives. Financial instruments aimed at changing or replacing the investment result of certain securities, currencies, markets, etc. are also mainly associated with a counterparty risk. In addition to stock exchanges, the markets on which derivatives can be traded include the over-the-counter market and the interdealer market. In contrast to participants on the "exchange-based" markets, the participants on each of these markets are generally not subject to a credit check or regulatory inspections. The Fund/Sub-Fund is therefore subject to the risk that a counterparty cannot conclude a transaction in accordance with the stipulated provisions and conditions due to credit or liquidity difficulties. Delays in the conclusion of these transactions may also occur as a result of disputes relating to contractual conditions (even those they are brought about maliciously) as these markets do not stipulate any fixed rules and procedures for settling disputes quickly as is the case for the market participants of "exchange-based" markets. These factors may lead to the Fund/Sub-Fund suffering losses in relation to conducting replacement transactions or other losses due to a negative market trend. The counterparty risk, for example, occurs with all swaps and even increases for agreements with longer terms to the extent that incidents may occur at any time which hinder the completion of transactions, especially if the transactions were focused on a single counterparty or a small group of counterparties.

Futures contracts are generally concluded with the broker as a principal and not with an agent. The Fund/Sub-Fund may therefore be exposed to the insolvency risk of the broker.

Margin funds which are deposited with a broker may be pooled with other margin funds with this broker and are therefore subject to an insolvency risk of said broker. Customer accounts may also be subject to what is known as averaging in the event of the broker becoming insolvent resulting in not all money paid being refunded.

### **Options and futures contracts**

Options and futures contracts which are often used to hedge investments are associated with high investment risks. These risks mainly occur as a result of the volatility of investments. The rights which the Fund/Sub-Fund acquires from these futures contracts may lapse or decrease in value because these transactions only ever

provide limited rights. The shorter the duration, the greater the risk may be. The risk of loss cannot be determined for liabilities from futures contracts and may also exceed the margins to be paid. The minimal requirements for margin payments result in a significant leveraging effect which is clearly reflected in a profit as well as a loss. Transactions through which it is intended to restrict or even exclude the risks arising through financial futures transactions (closing transactions) may possibly not be conducted or only conducted at a loss-making price.

#### **Off-market futures transactions (forward trading)**

Unlike futures contracts, forward contracts are not traded on stock exchanges and are not standardised (these are referred to as OTC (= over the counter) transactions). Instead, banks and traders trade on these markets as principals with each transaction being negotiated separately. Futures and spot transactions are essentially not regulated; there are neither restrictions on the daily price fluctuation nor for speculative positions. The principals conducting futures transactions are not obligated to continue receiving buy and sell orders in relation to currencies or goods which they trade with and there may temporarily only be minimal liquidity on these markets with these periods potentially lasting a long time. It has already been the case that the participants in these markets have not been able to submit any price quotations for certain currencies or goods or price quotations with an unusually large margin between the price at which they were ready to buy and the price at which they were ready to sell. There may be disruptions to all markets in which the Fund/Sub-Fund has invested as a result of an unusually large trading volume, political interventions or other factors. The Fund/Sub-Fund may therefore suffer significant losses due to market liquidity or disruptions.

#### **Swaps**

If the contracting partner of a swap does not meet its contractual obligations at all, only in part or with a delay, the Fund/Sub-Fund will experience losses. The Fund/Sub-Fund may also suffer losses through changes to the asset underlying the swap if the expectations of the market development are not met. There are exchange rate risks with swaps which convert into foreign currencies. The required conclusion of an offsetting transaction (closing) is associated with costs. Swaps are transactions which are not approved for trading on a stock exchange or in an organised market. The sale of swaps to third parties and the closing transaction may therefore be difficult or associated with significant costs.

#### **Counterparty risk including credit and receivable risk**

The following risks may have a negative impact on the performance of the Fund/Sub-Fund and may therefore also have a detrimental effect on the unit value. Counterparty risk is the risk of loss for an investment fund which results from the fact that the counterparty of a transaction may not be able to meet its obligations when settling payment obligations. If the investor sells units in an investment fund at a time when a counterparty or a CCP has defaulted and there has been a negative impact on the value of the Fund/Sub-Fund, the investor will not or not completely be able to get back the money it has invested in the Fund/Sub-Fund. The investor may therefore lose part [or even all] of the capital it has invested in the Fund/Sub-Fund.

#### **Counterparty default risk / Counterparty risks (except CCP)**

In general, there is less regulation and supervision of transactions in the OTC markets (in which forward and option contracts, credit default swaps, total return swaps and certain options on currencies and other financial derivative instruments are generally traded) than of transactions entered into on organized stock exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, may not be available in connection with OTC transactions. Therefore, a Sub-Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that the Sub-Fund will sustain losses. The Sub-Fund will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of letters of credit or collateral from certain counterparties. In addition, as the OTC market may be illiquid, it might not be possible to execute a transaction or liquidate a position at the price it may be valued in the Sub-Fund.

The Company may suffer losses through an issuer or counterparty defaulting. The issuer risk describes the effect of specific developments of the issuer which aside from the general trends of the capital markets also have an impact on the price of a security. Even if securities are chosen carefully, losses through the financial collapse of issuers cannot be ruled out. The party of an agreement concluded for the account of the Fund/Sub-Fund may default in whole or in part (counterparty risk). This applies to all agreements which are concluded for the account of an Fund/Sub-Fund.

The Company will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes.

### **CCP risks**

A CCP enters into certain transactions for an Fund/Sub-Fund as an intermediary institution, especially into transactions with derivative financial instruments. In this case, it acts as the buyer in relation to the seller and as the seller in relation to the buyer. A CCP hedges its counterparty default risks through a series of protective mechanisms which enables it to offset losses from the transactions entered into at any time, for example through margin payments (e.g. collateralisation). Despite these protective mechanisms, the possibility of a CCP defaulting cannot be ruled out and this may also result in the claims of the Company for the Fund/Sub-Fund being affected. This may lead to losses for the Fund/Sub-Fund which are not hedged.

### **Operational and other risks**

The following risks may have a negative impact on the performance of the Fund/Sub-Fund and may therefore also have a detrimental effect on the unit value. Operational risk is the risk of loss for an investment fund which results from insufficient internal processes and from human or system error in the company or from external incidents and includes legal, documentation and reputation risks as well as risks which result from the trading, invoicing and valuation procedures carried out for an investment fund. If the investor sells units in the Fund/Sub-Fund at a time when the market price of assets in the Fund/Sub-Fund has decreased compared to the time of unit purchase, it will not or not entirely get back the money it invested in the Fund/Sub-Fund. The investor may lose part or even all of the capital it has invested in the Fund/Sub-Fund.

#### Depository risk

A risk of loss, which may result from insolvency, breaches of the duty of care and force majeure, is associated with holding the assets in custody, especially abroad.

#### Concentration risk

A risk can arise from a concentration of investment in certain assets or markets. Then the Fund/Sub-Fund is particularly heavily dependent on the performance of these assets or markets.

#### General security risks

When selecting the assets the expected performance of the assets is in the foreground. At the same time it must be considered that securities also bear risks as well as the opportunities of price gains and revenue, since the prices can fall below acquisition prices.

#### Company-specific risks

Company-specific risks describe the risks, which have directly and indirectly to do with the Fund/Sub-Fund itself. This means in particular the situation of the fund/sub-fund in the market environment, management decisions and similar circumstances that directly concern the fund/sub-fund. Among the general conditions are especially the inflation rate, the level of base rates, fiscal and legal conditions and the general market psychology. It can be observed over and over again that Shares or whole stock markets are subject to considerable price fluctuations and evaluation fluctuations without the general conditions changing.

#### Special features of Shares

Shares and securities with share-like character (e.g. index certificates) are subject to large price fluctuations from experience. Therefore they offer opportunities of considerable price gains, which are nevertheless set against comparable risks. Influencing factors on share prices are primarily the profit performance of individual companies and sectors as well as whole-economy developments and political perspectives, which determine the expectations on the security markets and thereby the formation of rates.

#### Special features of fixed interest securities

Influencing factors on price changes of fixed interest securities are primarily the interest rate developments on the capital markets, which in turn are influenced by whole-economy factors. When capital market interest rates

rise, fixed interest securities can suffer falls in prices, while they can report price increases when capital market interest rates fall. The price changes are also dependent on the term or remaining term of the fixed interest securities. As a rule, fixed interest securities with shorter terms exhibit lower price risks than fixed interest securities with longer terms. On the other hand, however, lower yields and higher reinvestment costs have to be taken into account due to the more frequent maturities of the security portfolio.

The creditworthiness risk

Even with the careful selection of the securities to be purchased, the creditworthiness risk, i.e. the loss risk through inability of issuers to pay (issuer risk), cannot be ruled out.

The credit risk

The Fund/Sub-Fund can invest part of its assets in government and company bonds. The issuers of these bonds can become insolvent in some circumstances, whereby the value of the bonds can be lost wholly or partly. Because of the dependence on the creditworthiness of the issuer and the general market liquidity there can be increased volatility.

Country risk

To the extent that the fund/sub-fund focuses on certain countries within the context of its investment, this also reduces the spread of risks. As a result of this the fund/sub-fund is dependent to a particular extent on the development of single or related countries or on the companies registered or active in these countries.

Risks in Investing in Emerging and Frontier Markets

The political and economic situation in countries with emerging and frontier markets can be subject to significant and rapid changes. Such countries may be less stable politically and economically in comparison to more developed countries and be subject to a considerable risk of price fluctuations. This instability is caused among other things by authoritarian governments, military involvement in political and economic decision making, hostile relations with neighbouring states, ethnic and religious problems and racial conflicts, etc. These, as well as unexpected political and social developments, can have an effect on the value of the investments of the Fund/Sub-Fund in these countries and also affect the availability of the investments. Moreover the payment of earnings from the redemption of Shares of the Fund/Sub-Fund investing in the emerging and frontier market can be delayed in some circumstances. Due to the fact that the security markets are very inexperienced in some of these countries and that the number of the tradable volumes can possibly be limited, there may be increased illiquidity of the Fund/Sub-Fund as well as an increased amount of administration that must be carried out before the acquisition of an investment.

Investments issued by companies domiciled in countries with emerging and frontier markets can be affected by the fiscal policy. At the same time it must be noted that no provision is made to safeguard existing standards. This means that fiscal provisions especially can be changed at any time and without prior notice, and in particular retroactively. Such revisions can have negative effects for the investors in certain circumstances.

Furthermore, the regulation of stock exchanges, financial institutions and issuers as well as government prudential supervision may be less reliable than in industrial nations. Under certain conditions, the processing and settlement conditions in emerging markets may not be very well organised. Due to this, there is a risk that transactions could be delayed and the sub-funds liquid funds or securities jeopardised. The sub-fund and its shareholders bear these and similar risks associated with these markets.

Emerging Markets – Custody risk

The Sub-Funds may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the relevant Sub-Fund which are traded in such markets and which have been entrusted to correspondents, in circumstances where the use of such correspondents is necessary, may be exposed to risk in circumstances whereby the Depositary will have no liability.

## Emerging Markets – Liquidity risk

The Sub-Fund(s) may invest in financial assets on markets which are less liquid and more volatile than the world's leading stock markets and this may result in greater fluctuations in the price of Shares of the Sub-Fund. There can be no assurance that there will be any market for an asset acquired in an emerging market and such lack of liquidity may adversely affect the value or ease of disposal of such Investments.

## Special features of structured products

When investing in certificates and structured products, the risk characteristics of derivatives and other special investment techniques and financial instruments must be considered as well as the risk characteristics of securities. Generally they are also exposed to the risks of their underlying markets and/or underlying instruments and therefore often entail increased risks. Potential risks of such instruments can arise for example from the complexity, non-linearity, high volatilities, low liquidity, limited means for valuation, risk of absence of income, or even total loss of the invested capital or from the counterparty risk.

## Currency risks

When investing in foreign currencies and in transactions in foreign currencies there are chances and risks of changes in exchange rates. It must also be borne in mind that investments in foreign currencies are subject to a so-called transfer risk.

## Currency hedging transactions

Currency hedging transactions serve to reduce exchange rate risks. Because these hedging transactions can occasionally only partially protect the Fund's assets or protect against exchange rate losses to a limited extent it can, however, not be ruled out that exchange rate changes can negatively influence the performance of the Fund's assets.

## Forward exchange contracts

The costs and possibly losses arising from forward exchange contracts and/or the acquisition of corresponding option rights and warrants, reduce the performance of the Fund. Transactions with forwards, particularly those traded over the counter, bear an increased counterparty risk. In the event that its counterparty fails it is possible that the Fund will not receive the expected payments or counter values. This can lead to a loss.

## Note on borrowing by the Fund

The interest accrued for borrowing reduces the performance of the Fund. These burdens are, however, set against the opportunity of increasing the income of the Fund by raising credit.

## Measures for risk reduction and risk avoidance

The Management Company and/or Investment Adviser and/or Portfolio Manager try to optimise the opportunity/risk ratio of a security investment using modern analysis methods. At the same time the Fund's liquid funds serve the goal of the investment policy by reducing the influence of possible price reductions in the security investments within a framework of shifting and temporary higher cash balances. Nevertheless no assurance can be given that the goals of the investment policy will be achieved.

## Credit Default Swaps

Credit Default Swaps (CDS) normally serve to protect from creditworthiness risks, which arise for an investor or a fund from the purchase of bonds and from lending. These are agreements between two parties, whereby the secured party makes premium payments to the security provider over the term of the cover so that he will be compensated for losses in the future (credit default payment), if the creditworthiness of the issuer should deteriorate or the issuer fails (credit event). The counterparties are first class financial institutions, which are specialised in such transactions.

## Compliance with data protection and privacy laws

The General Data Protection Regulation (GDPR) came into effect on May 25, 2018, replacing data protection laws in the European Union previously in effect. The GDPR seeks to harmonize national data protection laws across the European Union while, at the same time, modernizing the law to address new technological developments. The GDPR is automatically binding on entities processing personal data (data controllers or processors) in all member states of the European Union, without the need for national implementation. The GDPR notably has a greater extra-territorial reach and will have a significant impact on controllers and processors having an establishment in the European Union, which offer goods or services to data subjects in the European Union, or which monitor data subjects' behaviour within the European Union. The new regime imposes more stringent operational requirements on both data controllers and processors and introduces significant penalties for non-compliance with fines of up to 4% of total annual worldwide turnover or €20 million (whichever is higher), depending on the type and severity of the breach.

Further legislative evolution in the field of privacy is expected. The current ePrivacy Directive will also be repealed by the European Commission's Regulation on Privacy and Electronic Communications (the "ePrivacy Regulation"), which aims to reinforce trust and security in the digital single market by updating the legal framework. The ePrivacy Regulation is in the process of being negotiated and is due to come into force in the near future.

Compliance with current and future privacy, data protection and information security laws could significantly impact ongoing and planned privacy and information security related practices. This includes the collection, use, sharing, retention and safeguarding of personal data and some of the current and planned business activities of the Fund, the General Partner, and UILthe Management Company. A failure to comply with such laws could result in fines, sanctions or other penalties, which could materially and adversely affect the operating results and overall business, as well as have an impact on reputation.

### **Risks associated with Real Estate Investment Trusts (REITs)**

Investments in REITs, REIT-like securities or listed real estate shares may be associated with very high fluctuations in value. REITs, companies that qualify as REITs, and other listed real estate

Real Estate Investment Trusts (REITs), companies that qualify as REITs and other listed real estate companies are publicly traded investment vehicles organized, in particular, under foreign law in the legal form of a trust, as a corporation or in a comparable manner on the basis of the investment policy described in this Offering Memorandum, in which investment funds are pooled and invested primarily in commercial real estate.

These entities may invest in a broad range of real estate or specialize in a particular type of real estate, such as office, commercial, shopping centers, hotels, apartments, public buildings, etc. When acquiring REITs, REIT-like companies and shares in real estate companies, risks arising from the corporate form, risks in connection with the possible default of shareholders and risks of changes in the tax and corporate law framework must be taken into account. This applies in particular if the issuers of the securities in which investments are made are domiciled abroad. Furthermore, it must be taken into account that in the case of the acquisition of shares in real estate companies, these may be encumbered with obligations and risks that are difficult to identify.

Finally, in the event of the intended sale of the securities, there may be a lack of sufficient liquidity on the respective stock exchange despite the stock exchange listing. The value of real estate may fluctuate as a result of, for example, general or local economic conditions, excessive construction activity and increased competition, rising property taxes and operating costs, changes in building codes, losses due to property damage or expropriation, governmental rent control, changes in the value of a residential area, changes in the perception of the attractiveness of real estate from the tenants' perspective and rising interest rates. In addition to changes in the value of the underlying real estate, the value of REITs and other companies may also be adversely affected by the failure of borrowers or tenants to meet their payment obligations.

### **Risks relating to derivative transactions**

The Company may enter into derivative transactions for the Fund/Sub-Fund for the purposes referred to below under the bullet point "EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES". The increased opportunities are



associated with increased risks of losses. The profit opportunities of the Fund/Sub-Fund may also be reduced as a result of hedging losses with derivatives.

The purchase and sale of options and the conclusion of forward contracts or swaps are associated with the following risks:

- Price changes to the underlying asset may reduce the value of an option or forward contract until they become worthless. The Fund/Sub-Fund may also suffer losses through changes in value to the asset underlying a swap.
- The required conclusion of an offsetting transaction (closing) is associated with costs.
- The value of the Fund's assets may be more significantly influenced by leveraging options than is the case with the direct acquisition of the underlying assets. The risk of loss cannot be determined upon the conclusion of the transaction.
- A liquid secondary market may be lacking for a certain instrument at a particular point in time. This may make it impossible under certain circumstances for a derivatives position to be economically neutralised (concluded).
- Purchasing options bears the risk that the option will not be exercised because the prices of the underlying assets did not develop as expected and the option premium paid by the Fund/Sub-Fund lapses. When selling options, there is the risk that the Fund/Sub-Fund is obligated to purchase assets at a market price higher than the current one or to deliver assets at a market price lower than the current one. The Fund/Sub-Fund then suffers a loss in the amount of the price difference less the collected option premium.
- There is the risk with forward contracts that the Company is obligated to bear the difference between the underlying price upon conclusion of the transaction and the market price at the time of closing or the due date of the transaction. This would result in losses for the Fund/Sub-Fund. The risk of loss cannot be determined upon the conclusion of the forward contract.
- The forecasts made by the Company about the future development of underlying assets, interest rates, prices and exchange markets may in retrospect prove to be incorrect.
- The assets underlying the derivatives may not be bought or sold at an opportune moment or must be bought or sold at an unfavourable time.
- Potential losses may arise through the use of derivatives which are unforeseeable and could even exceed the margin payments.
- The following risks may occur from over-the-counter (OTC) transactions:
  - An organised market may be lacking which may prevent the Company from being able to sell the financial instruments acquired on the OTC market for the account of the Fund/Sub-Fund if at all.
  - The conclusion of an offsetting transaction (closing) may be difficult, impossible and associated with significant costs due to the individual agreement.

Risks in relation to receiving collateral

- The Company receives collateral for derivative transactions, securities loan transactions and repos. Derivatives, loaned securities or securities issued in a pension may increase in value. The provided collateral may then no longer be sufficient to completely cover the delivery and retransfer requirement of the Company to the counterparty.
- The Company may invest cash collateral into blocked accounts, in high-grade government bonds or in money market funds with a short maturity structure. However, the financial institution which holds the bank deposits may default. Government bonds and money market funds may develop negatively. Once the transaction

has been completed, the full amount of the invested collateral may no longer be available even though it must be reimbursed by the Company for the Fund at the originally granted amount. The Company may then be obligated to increase the collateral to the granted amount for the account of the Fund and therefore to offset the loss incurred through the investment.

### **Risks associated with Shares of the Company**

The investment in fund Shares is a form of investment that is characterised by the principle of risk spreading. It cannot, however, be ruled out that the risks associated with an investment in fund Shares, which result in particular from the investment policy of the fund, the value of assets contained in the fund and the share business, might exist. Fund Shares are comparable with securities as regards their opportunities and risks and in particular also in combination with instruments and techniques, where applicable. In the case of funds Shares denominated in foreign currencies, there are exchange rate opportunities and risks. It must also be considered that such Shares are subject to a so-called transfer risk. The purchaser of Shares will only achieve a profit on the sale of his Shares if their growth in value exceeds the front-end load paid on their purchase, taking into account the redemption commission. The front-end load can reduce the performance for the investor or even lead to losses in the case of only short periods of investment. A loss risk can be associated with the custody of assets, especially abroad, which can result from the insolvency, breaches of the duty of care or abusive conduct of the depositary or a sub-depositary (custodial risks). The Fund may become the victim of fraud or other criminal activities. It may sustain losses through misunderstandings or errors by employees of the Management Company or external third parties or be damaged by external events such as natural disasters (operational risks).

### **Legal and Tax Risk**

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

Under the version of the German Investment Tax Act in force until the end of 2017, taxes are levied at investor level only, not at fund level. This will change once the Investment Tax Reform comes into force on 1 January 2018.

As of that date, certain income generated in Germany (in particular income from dividends, rent, and capital gains from the sale of real property) will be taxed at fund level. Exceptions are possible only in the event the fund units are held by investors entitled to tax relief or held by certain retirement or pension plans (Riester/Rürup pension plans). In addition, it will no longer be possible to deduct at investor level the withholding tax collected on the basis of the income generated by the fund.

The foregoing notwithstanding, investors may, subject to certain conditions, be entitled to receive a fixed sum of the fund-generated income tax-free (referred to as "partial relief"). However, as the partial relief is granted as a fixed-sum basis, this mechanism does not guarantee the taxes will be fully offset in each case.

If the applicable partial relief rate changes or the conditions of the partial relief cease to apply, the investment unit is deemed to have been sold. In addition, a different assessment by the tax authorities of the requirements for a partial relief may lead to a partial relief being denied in principle.

### **ATAD**

The European Union has adopted Directive 2016/1164 to combat tax avoidance practices ("ATAD 1"). The directive implements recommendations for action of the BEPS project of the OECD. These include rules on the taxation of hybrid mismatches, restrictions on interest deduction, rules on add-on taxation and a general tax abuse rule. Luxembourg has transposed ATAD 1 into national law and has applied these rules since January 1, 2019. ATAD 1 was supplemented by the amending directive of 29 May 2017 ("ATAD 2") with regard to hybrid schemes with third countries (which has been implemented into Luxembourg law by the Law of 20 December 2019). While ATAD 1 provided rules for certain hybrid incongruities between Member States, ATAD 2 extends the scope of the Directive to various other incongruities between Member States and to incongruities between Member States and third countries. The provisions of ATAD 2 were also transposed into national law in Luxembourg and have been applied since 1 January 2020. An exception to this are the regulations on so-called reverse hybrid incongruities, which the member states only have to apply in national law from January 1, 2022. The effects of the BEPS Action Plan, ATAD 1 and ATAD 2 may lead to additional tax burdens at the level of the fund, the target funds, alternative investment vehicles, holding companies or portfolio companies, which may reduce the value of the fund investment without the Management Company being able to exert any legal

influence. The Management Company may decide, within the scope of its discretion, that an investor who has caused the additional or higher tax amount due to its tax status must bear such additional or higher tax amount.

#### DAC6

##### Reportable cross-border arrangements

In 2017 the European Commission proposed new transparency rules for intermediaries – such as tax advisers, accountants, banks and lawyers — who design and promote tax planning schemes for their clients. On 13 March 2018 a political agreement was reached by the EU Member States on new transparency rules for such intermediaries. As a result, the EU Directive on Administrative Cooperation (2011/16/EU) has been amended by the EU Directive 2018/822 to require taxpayers and intermediaries to report details of "reportable cross-border arrangements" to their home tax authority pursuant to a new mandatory disclosure regime ("DAC 6"). Accordingly, relevant intermediaries who provide their clients with complex cross border financial schemes that could help avoid tax will be obliged to report these structures to their tax authorities. This information will be automatically exchanged among the tax authorities of the EU Member States. The rules require relevant intermediaries or subsidiarily the relevant tax payers to report the details of all relevant arrangements entered into after 25 June 2018.

It is possible that the new transparency rules may have an impact on transparency, disclosure and/or reporting in relation to the Company and its investments as well as the investors' interest in the Company.

**Specific risks inherent with investing in the Sub-Funds are described in the relevant Appendix of this Prospectus.**

#### **DETERMINATION OF NET ASSET VALUE**

The Net Asset Value per Sub-fund, Net Asset Value per Share, Net Asset Value per Class, the Redemption Price of Shares and the Issue Price of Shares shall be determined on each Valuation Date, at least twice a month. The Valuation Dates for each Sub-Fund are indicated in the relevant Appendix.

The Net Asset Value of each Sub-Fund and the Net Asset Value of the relevant Class shall be expressed in the currency of each Sub-Fund as described in the relevant Appendix. Whilst the reporting currency of the Company is the Euro, the Net Asset Value is made available in the currency of each Sub-Fund as described in the relevant Appendix. The Net Asset Value shall be determined on each Valuation Date separately for each Share of each Sub-Fund and for each Class dividing the total Net Asset Value of the relevant Sub-Fund and of the relevant Class by the number of outstanding Shares of such Sub-Fund and of the relevant Class.

The Net Asset Value shall be determined by subtracting the total liabilities of the Sub-Fund or Class from the total assets of such Sub-Fund or Class in accordance with the principles laid down in the Company's Articles of Incorporation and in such further valuation regulations as may be adopted from time to time by the Board of Directors.

#### **Valuation of Investments**

Investments shall be valued as follows:

- (1) The value of any cash in hand or on deposit, discount notes, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such provision as the Company may consider appropriate in such case to reflect the true value thereof.
- (2) The value of all securities which are listed on an official stock exchange is determined on the basis of the last available prices. If there is more than one stock exchange on which the securities are listed, the Board of Directors may in its discretion select the stock exchange which shall be the principal stock exchange for such purposes.
- (3) Securities traded on a regulated market are valued in the same manner as listed securities.

- (4) Securities which are not listed on an official stock exchange or traded on a regulated market shall be valued by the Company in accordance with valuation principles decided by the Board of Directors, at a price no lower than the bid price and no higher than the ask price on the relevant Valuation Date.
- (5) Derivatives which are not listed on an official stock exchange or traded on a regulated market shall be valued by the Company in accordance with valuation principles decided by the Directors on the basis of their marked-to-market price.
- (6) Term deposits shall be valued at their present value.
- (7) Traded options and futures contracts to which the Company is a party which are traded on a stock, financial futures or other exchange shall be valued by reference to the profit or loss which would arise on closing out the relevant contract at or immediately before the close of the relevant market.

All securities or other assets for which the valuation in accordance with the above sub-paragraphs would not be possible or practicable, or would not be representative of their fair realisation value, will be valued at their fair realisation value, as determined in good faith and prudently pursuant to the procedures established by the Board of Directors.

Amounts determined in accordance with such valuation principles shall be translated into the currency of the Sub-Fund's accounts at the respective exchange rates, using the relevant rates quoted by a bank or another first class financial institution.

### **Valuation of Liabilities**

The liabilities of the Company shall be deemed to include:

- (1) all borrowings, bills and other amounts due;
- (2) all administrative expenses due or accrued including (but not limited to) the costs of its constitution and registration with regulatory authorities, as well as legal and audit fees and expenses, the costs of legal publications, the cost of listing, prospectus, financial reports and other documents made available to Shareholders, translation expenses and generally any other expenses arising from the administration of the Company;
- (3) all known liabilities, due or not yet due including all matured contractual obligations for payments of money or property, including the amount of all dividends declared by the Company which remain unpaid until the day these dividends revert to the Company by prescription;
- (4) any appropriate amount set aside for taxes due on the date of the valuation of the Net Asset Value and any other provision of reserves authorised and approved by the Board; and
- (5) any other liabilities of the Company of whatever kind towards third parties.

For the purposes of valuation of its liabilities, the Company may duly take into account all ongoing or periodic administrative and other expenses by valuing them for the entire year or any other period and by dividing the amount concerned proportionately for the relevant fractions of such period.

Amounts determined in accordance with such valuation principles shall be translated into the currency of the Sub-Fund's accounts at the respective exchange rates, using the relevant rates quoted by a bank or another first class financial institution.

### **ISSUE OF SHARES BY THE COMPANY**

All the Shares are issued and redeemed at an unknown Net Asset Value.

Whenever the Company issues Shares, the issue price per Share shall (the "Issue Price") be based on the Net Asset Value per Share for the relevant Sub-Fund calculated in the manner set out under "*Determination of the Net Asset Value*".

The latest Issue and Redemption Prices are made public at the registered office of the Company.

The Company or the Management Company may fix a minimum subscription amount for each Sub-Fund which, if applicable, is indicated in the description of the relevant Appendix.

The Company or the Management Company reserve the right from time to time to waive any requirements relating to the minimum subscription amount as and when it determines in its reasonable discretion and by taking into consideration the equal treatment of Shareholders.

The mechanism for the calculation of the Issue Price, plus the imposition of a subscription charge (if any), is set out in each case in the description of the relevant Appendix. The subscription charge(s) goes to the relevant Sub-Fund and/or to the distributor (as determined in the relevant Sub-Fund Appendix) and it can be waived, provided that all investors having filed a subscription request for the same Dealing Date in the same circumstances are treated equally. Subject as set out in the relevant Appendix, the Issue Price shall be rounded to 2 decimals and any related subscription amounts will be rounded to the next currency unit. No issue of Shares shall be affected by the Company unless the price for the relevant Shares has been received by the Registrar and Transfer Agent. Payment of Shares must in principle be made in the currency of each Sub-Fund, as described in the relevant Appendix. The Company or the Management Company may, in their discretion, decide to accept payment by contribution of assets in compliance with the investment policy and the investment objective of the relevant Sub-Fund. The valuation of any such subscription in kind will be confirmed in a report prepared by the Company's auditor, to the extent required by Luxembourg law and any cost of such subscription in kind will have to be borne by the investor.

Save as set out in the relevant Appendix, duly completed and irrevocable application must be received by the Registrar and Transfer Agent no later than 2 p.m. or 4 p.m. (Luxembourg time) for the relevant Sub-Fund on the Business Day prior to the relevant Dealing Date. The Management Company may decide that applications to subscribe may be made by electronic file transfer. Any application form received after this cut-off time will be processed on the next Dealing Date subject to the reception of cleared subscription monies in accordance with the following paragraph. Order confirmation notices will be sent to Shareholders at the latest the first Business Day following the execution of the subscription order.

As a result of Luxembourg anti-money laundering laws the Registrar and Transfer Agent shall require that an application to subscribe Shares be accompanied by appropriate documents, as defined in the appendix to the subscription form, enabling the Registrar and Transfer Agent to check the identity of the investors. The Registrar and Transfer Agent reserves the right to delay the processing of an application until receipt of satisfactory documentary evidence or information for the purpose of compliance with applicable laws.

Save as set out in the relevant Appendix, the Subscription Price, payable in the Reference Currency of the relevant Class, must be paid by the investor and received by the Registrar and Transfer Agent within three (3) Business Days after the Valuation Day.

The Company and the Management Company may at their entire discretion refuse subscription requests and any acceptance of a subscription request is conditional upon receipt of cleared subscription funds. Persons the subscription of which has been refused and that have already paid will be reimbursed by money transfer (without interest) made at the entire risk of the relevant person.

## **SHAREHOLDER CONFIRMATIONS**

Shares will be issued in registered form. The Shares are evidenced by entries in the Company's register of Shareholders. Confirmations of shareholdings will be issued and delivered at the latest the first business day (the "**Business Day**", being a day (other than a Saturday or Sunday) on which commercial banks and stock exchange markets simultaneously settle payments in Luxembourg and Frankfurt am Main, or as specified in the description of the relevant Appendix) following the execution of the subscription order. Shares may be issued with fractions of up to three (3) decimals (0,001) or such other fractions as specified in the description of the relevant Appendix.

**No share certificates will be delivered.**

Shares may further be issued in global certificated form and shall be traded via Euroclear and Clearstream or any other approved clearing system.

## **REDEMPTION OF SHARES BY THE COMPANY**

All the Shares are redeemed at an Net Asset Value.

Any Shareholder may request the redemption of Shares on every Dealing Date of the relevant Sub-Fund provided that such request must be received in writing by fax or letter by the Company, a distributor (as detailed in the description of the relevant Appendix) or the Registrar and Transfer Agent accompanied by the relevant Share certificates, if any, and the documents evidencing any transfer of Shares within the time limit applicable to the relevant Sub-Fund (and Class) as specified in the relevant Appendix. The Management Company may decide that applications for redemptions may be made by electronic file transfer. If the request is received outside this time limit, the Registrar and Transfer Agent shall defer the redemption until the following Dealing Date. The Company must accept such request and redeem the Shares so tendered, provided that the Company shall not be bound to redeem more than 10 per cent of the total number of Shares of the relevant Sub-Fund or Class of Shares then in issue and outstanding. Requests for the redemption of Shares received by the Company or by the Registrar and Transfer Agent are irrevocable. Any Shares redeemed by the Company will be cancelled.

A redemption charge as described in the relevant Appendix (if any) can be levied. The redemption charge may be allocated to the relevant Sub-Fund and/or the distributor, as shall be set forth in the description of the relevant Appendix. It may be waived provided that all Shareholders who have filed a redemption request for the same Dealing Date under the same circumstances are treated equally.

Save as set out in the relevant Appendix, redemption requests must be received by the Registrar and Transfer Agent or the Company no later than 2p.m. or 4 p.m. (Luxembourg time) for the relevant Sub-Fund on the Business Day prior to the relevant Dealing Date. Redemption proceeds will be paid not later than the Payment Date. Order confirmation notices will be sent to Shareholders at the latest the first Business Day following the execution of the redemption request.

Save as set out in the relevant Appendix, redemption requests should state the number, form, Class and the name of the Sub-Fund of the Shares to be redeemed as well as the necessary references enabling the payment of the redemption proceeds. Order confirmation notices will be sent to the Shareholders at the latest the first Business Day following the execution of the redemption request.

The company is not obliged to redeem more than 10% of the Shares issued to date on a valuation day. If redemption applications for a larger number of Shares than stated is received by the company on a valuation day, the company reserves the right to postpone the redemption of Shares, which exceed 10% of the Shares issued to date, until the fourth (4) valuation day following that one. On such following Dealing Dates such requests shall be complied with in priority to later requests.

The Redemption Price to be paid by the Company for the redemption of its Shares shall be equal to the Net Asset Value per Share (see the section entitled "*Determination of Net Asset Value*") on the Dealing Date in respect of which redemption is made, less a redemption charge (if any) as specified in relevant Appendix. Subject as set out in the relevant Appendix, the Redemption Price will be rounded to two decimals and redemption proceeds will be rounded to the next currency unit. The Redemption Price shall be payable in the currency of Sub-Funds indicated in the relevant Appendix.

The Redemption Price may be higher or lower than the subscription price paid by the Shareholder at the time of subscription/purchase depending on whether the Net Asset Value per Share has appreciated or depreciated.

The Redemption Price shall be paid within such period after the relevant Dealing Date or after the date by which the Share certificates (if issued) have been received by the Company as shall be set forth in the description of the relevant Appendix.

The Management Company shall use its best efforts to maintain an appropriate level of liquidity in its assets so that the redemption of the Shares can, under normal circumstances, be made without delay upon request by the Shareholders.

If, however, in exceptional circumstances which are outside the control of the Management Company or of the Company the liquidity of the portfolio of each Sub-Fund's assets is not sufficient to enable the payment to be made within the normal period, such payment shall be made as soon as reasonably practicable thereafter.

Shareholders should note that if an application for redemption relates to a partial redemption of an existing holding and the remaining balance within the existing holding is below the minimum holding requirement, the Company may redeem all the existing holding. The minimum holding requirement for any Class is indicated in the relevant Appendix.

As a result of the Luxembourg anti-money laundering laws, the Registrar and Transfer Agent shall require that a request for the redemption of Shares be accompanied by appropriate documents enabling the Registrar and Transfer Agent to check the identity of Shareholders and to complete the investors AML and KYC documentation as detailed in the subscription form. The Registrar and Transfer Agent reserve the right to delay the processing of a request until receipt of satisfactory documentary evidence or information for the purpose of compliance with applicable laws.

The Redemption Price may, upon demand by a Shareholder, and if the Company agrees, also be satisfied by allocation of securities equal in value of the Redemption Price. The securities vested by the Company in a Shareholder in lieu of the Redemption Price shall be determined as concerns their nature and type on an equitable basis and without prejudicing the interests of the other Shareholders. The value of any securities vested by the Company or contributed to the Company shall be confirmed in a valuation report by the independent auditor of the Company.

**Unless the redeeming Shareholder is registered in the Company's register, proper evidence of transfer or assignment must be sent with the redemption request, to the Company or the Registrar and Transfer Agent or the relevant distributor (as detailed in the relevant Appendix).**

## **CONVERSION OF SHARES**

In principle, any Shareholder may request the conversion of all or part of his Shares of any Sub-Fund into Shares of any other existing Sub-Fund, as detailed in the relevant Appendix. Conversions into other Classes are possible if so specified in the relevant Appendix, it being noted that any conversion into another Sub-Fund or Class may only take place provided all conditions for the holding of the new Sub-Fund or Class are fulfilled by the relevant Shareholder. Prior to converting any Shares, Shareholders should consult with their tax and financial advisers in relation to the legal, tax, financial or other consequences of converting such Shares.

### **Application for Conversions**

Conversion applications shall be made in writing by fax or letter to the Registrar and Transfer Agent, a distributor (as detailed in the relevant Appendix) or the Company stating which Shares are to be converted. The Management Company may also decide that applications for conversion may be made by electronic file transfer.

The application for conversion must include (i) the monetary amount the Shareholder wishes to convert or (ii) the number of Shares the Shareholder wishes to convert, together with the Shareholder's personal details and Shareholder's account number. Failure to provide any of the above information may result in delay of the application for conversion while verification is being sought from the Shareholder. The period of notice is the same as for applications for redemption save as otherwise set out in the relevant Appendix.

Conversions may result in the application of a conversion charge as shall be detailed in the Appendix, which will be based on the Net Asset Value per Share of the Shares the Shareholder wishes to convert from and, unless otherwise provided in the Appendix relating to the relevant Sub-Fund, goes to the Sub-Fund and/or Class from which they are converted. No redemption charge will be due upon the conversion of Shares. The Company may waive the conversion charge, provided that all investors having filed a conversion request for the same Dealing Date and for the same circumstances are treated equally.

Shareholders should note that if an application for conversion relates to a partial conversion of an existing holding and the remaining balance within the existing holding is below the minimum holding requirement, the Company will convert all the existing holding.

Applications for conversion on any Dealing Date received by the Registrar and Transfer Agent by the deadline specified in the relevant Appendix prior to a day that is a Dealing Date for both Sub-Funds concerned will be processed on that Dealing Date based on the Net Asset Value per Share calculated on the Valuation Date relevant for such Dealing Date. Any applications received after the deadline will be processed on the next day that is a Dealing Date for both Sub-Funds concerned on the basis of the Net Asset Value per Share calculated on such Dealing Date.

### **Conversion Formula**

The rate at which all or part of the Shares in relation to a given original Sub-Fund are converted into Shares relating to a new Sub-Fund, or all or part of the original Shares of a particular Class are converted into a new Class in relation to the same Sub-Fund, is determined in accordance with the following formula:

$$A = \frac{B \times C \times E}{D}$$

where:

A is the number of Shares to be allocated or issued by the Company in relation to the new Sub-Fund or new Class;

B is the number of Shares relating to the original Sub-Fund or to the original Class which is to be converted;

C is the Net Asset Value per Share (minus the relevant conversion charge, where applicable) of the original Sub-Fund or the relevant Class within the original Sub-Fund at the relevant Dealing Date;

D is the Net Asset Value per Share of the new Sub-Fund or the relevant Class within the new Sub-Fund at the relevant Dealing Date; and

E is the exchange rate between the currency of the original Sub-Fund or Class and currency of the new Sub-Fund or Class.

After conversion of the Shares, the Registrar and Transfer Agent will inform the Shareholder of the number of Shares in relation to the new Sub-Fund or new Class obtained by conversion and the price thereof.

If "A" is not an integral number, fractions of Shares will be allotted in the new Sub-Fund or Class.

If the minimum holding requirement for any Class, as described in the relevant Appendix, is not maintained due to a conversion of Shares, the Company will compulsorily convert the remaining Shares at their current Net Asset Value per Share.

### **SUSPENSION OF ISSUE, REDEMPTION AND CONVERSION OF SHARES AND OF CALCULATION OF NET ASSET VALUE**

The Company may temporarily suspend all calculations in relation to the Net Asset Value and/or the sale, redemption and conversion of Shares in any Sub-Fund on the occurrence of any of the following events:

- (a) during any period in which any of the principal stock exchanges or other markets on which a substantial portion of the assets of a Sub-Fund from time to time are quoted or traded is closed otherwise than for ordinary holidays, or during which transactions therein are restricted, limited or suspended, provided that such restriction, limitation or suspension affects the valuation of such assets;
- (b) where the existence of any state of affairs which, in the opinion of the Board of Directors, constitutes an emergency or renders impracticable a disposal or valuation of the assets attributable to a Sub-Fund;



- (c) during any breakdown of the means of communication or computation normally employed in determining the price or value of any of the assets attributable to a Sub-Fund;
- (d) when for any other reason the prices of any constituents of the assets of a Sub-Fund cannot promptly or accurately be ascertained;
- (e) where, in the opinion of the Board of Directors, circumstances which are beyond the control of the Board of Directors make it impracticable or unfair *vis-à-vis* the Shareholders to continue trading the Shares;
- (f) during any period in which the Company is unable to repatriate monies for the purpose of making payments on the redemption of Shares or during which any transfer of monies involved in the realisation or acquisition of investments or payments due on redemption of Shares cannot, in the opinion of the Board of Directors, be effected at normal rates of exchange;
- (g) in case of the Company's liquidation or in the case a notice of termination has been issued in connection with the liquidation of a Sub-Fund or a Class of Shares;
- (h) in case of a feeder Sub-Fund, if the net asset calculation of the Master UCITS is suspended; or
- (i) in case of a merger of a Sub-Fund with another Sub-Fund of the Company or of another UCITS (or a sub-fund thereof), provided such suspension is in the interest of the Shareholders.

The Company shall suspend the sale, redemption and conversion of Shares forthwith upon the occurrence of an event causing it to enter into liquidation or upon the order of the CSSF.

Shareholders having requested redemption or conversion of their Shares or having applied to the Company for the issue of Shares shall be notified in writing of any such suspension within seven days of their request and shall be promptly notified of the termination of such suspension.

A suspension of any Sub-Fund or Class shall have no effect on the determination of the Net Asset Value, the issue, redemption and conversion of the Shares of any other Sub-Fund or Class if the circumstances referred to above do not exist in respect of the other Sub-Funds or Classes.

## **RESTRICTIONS ON OWNERSHIP OF SHARES**

Investors should note however that some Sub-Funds or Share Classes may not be available to all investors.

The Fund retains the right to offer only one or more Share Classes for purchase by investors in any particular jurisdiction in order to conform to local law, customs or business practice or for fiscal or any other reason.

The Fund may further reserve one or more Sub-Funds or Classes to Institutional Investors (within the meaning of article 174 of the 2010 Law as interpreted from time to time by the CSSF) only.

The Restriction on Ownership of Shares is described in the relevant Appendix and with regard to U.S. Persons in the section entitled "*FATCA*").

Where it appears to the Company that any person who is or becomes precluded from holding Shares in the Company, either alone or with any other person, is a beneficial or registered owner of Shares, it may compulsorily redeem such Shares.

## **DIVIDENDS**

The Board of Directors proposes to the general meeting of shareholders a reasonable annual dividend payment for the distributing Shares in the Sub-Fund, ensuring that the Net Asset Value does not fall below the minimum capital of the Company. Subject to the same limitation, the Board of Directors may also fix interim dividends. In

the case of accumulating Shares, no dividend payments are made, but the values allocated to the accumulating Shares are reinvested for the benefit of the investors holding them.

The dividend policy of each Sub-Fund and Class is described in the relevant Appendix.

## **CREATION OF ADDITIONAL SUB-FUNDS AND CLASSES**

The Board of Directors may create at any time additional Sub-Funds and/or Classes. In such case, the Prospectus will be up-dated and if different Classes are issued within a Sub-Fund, the details of each Class will be described in the description of the Appendix relating to the relevant Sub-Fund.

## **LIQUIDATION, COMPULSORY REDEMPTION AND MERGERS**

### **Liquidation**

The Company or the Sub-Fund may at any time be dissolved by resolution passed at a general meeting of Shareholders of the Company or the Sub-Fund respectively. In that event, liquidation shall be carried out by one or several liquidators who may be physical persons or legal entities appointed by the general meeting of Shareholders deciding such liquidation, which shall determine their powers and compensation.

A resolution to dissolve and liquidate the Company must be passed at a general meeting of Shareholders in accordance with the provisions of the law of 10 August 1915 on commercial companies as amended.

The Board of Directors must forthwith convene an extraordinary general meeting of Shareholders for the purpose of deliberating on the dissolution and liquidation of the Company in case the net assets of the Company fall below two thirds of the minimum capital required by law; the decision to dissolve and liquidate the Company is validly passed without a quorum of presence by a simple majority of the Shares present or represented at the meeting. If the net assets of the Company fall below a quarter of the minimum capital required by law, the decision to dissolve and liquidate the Company is validly passed without a quorum of presence by a vote representing one quarter of the Shares present or represented at the meeting.

The liquidator(s) shall realise the assets of the Company in the best interest of the Shareholders and shall distribute the net proceeds of liquidation, after deduction of liquidation fees and expenses, to the holders of Shares in proportion to their holding of Shares on the basis of the respective Net Asset Value per Share of the relevant classes or categories of Shares.

Any amount remaining unclaimed at the close of liquidation shall be converted, to the extent legally required at that time, into Euros and deposited by the liquidator(s) for the account of those entitled thereto at the "*Caisse de Consignation*" in Luxembourg, where it shall be forfeited if unclaimed after a period of thirty (30) years.

### **Compulsory Redemption**

In the event that the net value of the total assets of any Sub-Fund or Class of Shares on a given Dealing Date is for one (1) month less than the minimum net value of the total assets for the relevant Sub-Fund as specified in the relevant Appendix, or if, in the Directors' opinion, a change in the economic or political situation may be detrimental to a Sub-Fund or Class and the interest of the relevant Shareholders, the Board of Directors may decide to compulsorily redeem without a redemption charge all the Shares relating to the relevant Sub-Fund at the Net Asset Value per Share (taking into account actual realisation prices of investments and realisation expenses), calculated on the Dealing Date specified as the effective date for such redemption. The Company shall serve a notice to the Shareholders of the relevant Sub-Fund in writing and/or by way of publication in newspapers in accordance with the Articles of Incorporation. Such notice to Shareholders will indicate the reasons for the redemption operation. In addition, the general meeting of Shareholders of a Sub-Fund may, upon a proposal from the Board of Directors, resolve to close a Sub-Fund by way of liquidation or to redeem all the Shares relating to the relevant Sub-Fund or Class of Shares issued by a Sub-Fund and refund to the Shareholders the Net Asset Value of their Shares (taking into account actual realisation prices of investments and realisation expenses) calculated on the Dealing Date at which such decision shall take effect. There shall be no quorum

requirements for such general meeting of Shareholders which shall be validly passed by resolution by a simple majority of those Shares present or represented.

All redeemed Shares shall be cancelled and will become null and void. Upon compulsory redemptions, the relevant Sub-Fund will be closed. The last remaining Sub-Fund and/or Class of Shares may however only be liquidated and not be closed by way of a compulsory redemption.

Liquidation or redemption proceeds which may not be distributed to the relevant Shareholders upon termination will be deposited with the *Caisse de Consignation* on behalf of the persons entitled thereto. If not claimed, they shall be forfeited after thirty (30) years.

### **Merger**

In addition, the Board of Directors may decide, in compliance with the procedures laid down in Chapter 8 of the law of the 2010 Law, to merge any Sub-Fund with another UCITS or a sub-fund within such UCITS (whether established in Luxembourg or another Member State or whether such UCITS is incorporated as a company or is a contractual type fund) under the provisions of Directive 2009/65/EC.

Such merger will be binding on the Shareholders of the relevant Sub-Fund upon thirty days' prior written notice thereof given to them, during which Shareholders may redeem their Shares, it being understood that the merger will take place five Business Days after the expiry of such notice period.

The request for redemption of a Shareholder during the above mentioned period will be treated without any cost, other than the cost of disinvestment.

A merger that has as a result that the Company ceases to exist needs to be decided at a general meeting of shareholders and certified by a notary. There shall be no quorum requirements for such general meeting of shareholders which shall decide by resolution taken by simple majority of those present or represented and voting at such meeting.

### **TAX CONSIDERATIONS**

The following is a general description of the law and practice currently in force in the Grand Duchy of Luxembourg in respect of the Company and the Shares as at the date of this prospectus. It does not purport to be a comprehensive discussion of the tax treatment of the Shares. Prospective investors should consult their own professional advisers on the implications of making an investment in, holding or disposing of Shares and the receipt of interest with respect to such Shares under the laws of the countries in which they may be liable to taxation. Tax rates and bases may be liable to change.

The following summary is based on the Company's understanding of the law and practice currently in force in the Grand Duchy of Luxembourg and is subject to changes therein.

#### **The Company**

The Company is subject to the Luxembourg tax provisions. Without prejudice to the levy of registration and transcription taxes and the application of national legislation on value added tax, no other tax shall be payable by the Company with the exception of the subscription tax (*taxe d'abonnement*) referred to in Articles 174 to 176 of the 2010 Law. Though the Company is exempt from income tax and from trade tax in Luxembourg, income and gains of the company may be subject to a non-recoverable withholding tax or other tax in the respective state of source.

According to article 174 of the 2010 Law, the Company is subject to a subscription tax i) at a standard rate of 0.05% or ii) at a reduced rate of 0.01% in case of sub-funds or share classes which are exclusively reserved for "institutional investors". The subscription tax is payable pro rata quarterly; its taxable basis shall be the aggregate net assets of the Company valued on the last day of each quarter.

#### **The Shareholders**

Under Luxembourg law and current practice, shareholders in Luxembourg are not subject to capital gains tax, income tax, gifts tax, inheritance tax or other taxes (with the exception of investors domiciled or resident or having their permanent establishment in Luxembourg).

It is the responsibility of the Shareholders to seek advice on taxes and other consequences which may result from the subscription, ownership return (redemption), conversion and transfer of Shares, including any regulations regarding the control on the movement of capital.

## **CHARGES OF THE COMPANY**

### **Management Company fee**

The Management Company is entitled to receive from each Class within each Sub-Fund a fee on the basis of the average Net Asset Value over the relevant period. The Management Company fee to be levied for each Sub-Fund or Class is specified in the relevant Sub-Fund Appendix. The actual amounts of these fees are disclosed in the financial reports.

### **Investment Management Fee**

The Portfolio Manager will be paid directly by the respective Sub-Fund(s), the amount of which is specified for each Share Class of each Sub-Fund in the relevant Sub-Fund Appendix. The actual amounts of these fees are disclosed in the financial reports.

### **Investment Adviser Fee**

The Investment Adviser will be paid directly by the respective Sub-Fund(s), the amount of which is specified for each Class of each Sub-Fund in the relevant Sub-Fund Appendix. The actual amounts of these fees are disclosed in the financial reports.

### **Performance Fee**

In order to provide an incentive to the relevant Portfolio Manager and/or Investment Adviser, the Company may pay an additional performance fee as indicated in the relevant Sub-Fund Appendix. The amount of the Performance Fee will be calculated by the Management Company. The performance fee (if applicable) shall be calculated and accrue and shall be payable as specified in the relevant Sub-Fund Appendix. For the purposes of the first calculation of the Performance Fee, the starting point for the relevant Net Asset Value per Share of each relevant Share Class is the Initial Offering Price. The actual amounts of these fees are disclosed in the financial reports.

### **Distribution Fee**

The distribution fee to be levied for each Sub-Fund or Share Class is specified in the relevant Sub-Fund Appendix.

### **Domiciliary and Corporate Agent Services Fee, Registrar and Transfer Agent Fee**

The Company pays monthly fees for the services for Domiciliary and Corporate Agent Services, Registrar and Transfer Agent Services in accordance with normal banking practices in Luxembourg. In addition, the Company pays out of the assets of the relevant Sub-Fund all reasonable out-of-pocket expenses, disbursements and for the charges.

The fees are indicated in the relevant Sub-Fund Appendix. The actual amounts of these fees are disclosed in the financial reports.

### **Depositary and Paying Agent Fee**

The Depositary is entitled to receive out of the assets of the Fund a fee calculated in accordance with customary banking practice in Luxembourg and as detailed for each Sub-Fund in the relevant Sub-Fund Appendix. In

addition, the Depositary is entitled to be reimbursed out of the assets of the relevant Sub-Fund for its reasonable out-of-pocket expenses and disbursements and for the charges of any correspondents.

The fees are indicated in the relevant Sub-Fund Appendix. The actual amounts of these fees are disclosed in the financial reports.

### **Launch costs**

The Company will pay its formation expenses, including the costs and expenses of producing the initial Prospectus, and the legal and other costs and expenses incurred in determining the structure of the Company, which formation expenses are expected not to exceed EUR 30.000. These expenses will be apportioned pro-rata to the initial Sub-Fund and amortised for accounting purposes over a period of five (5) years. Amortised expenses may be shared with new Sub-Funds at the discretion of the Board. Costs in relation to the launch of any additional Sub-Fund will be charged to such additional Sub-Fund and will be amortised over a period of five years from the launch of the relevant Sub-Fund.

### **Other expenses**

The Company will further pay all administrative expenses of the Company due or accrued, including all fees payable to any Board of Directors, representatives and agents of the Company, the cost of its registration with regulatory authorities, the costs of performance analysis and other special reports, as well as legal, audit, management, corporate fees and expenses, governmental charges, the cost of legal publications, prospectuses, financial reports and other documents made available to Shareholders, marketing and advertisement expenses and generally any other expenses arising from the administration of the Company. All expenses are accrued on each Valuation Day in determining the Net Asset Value and are charged first against income.

In the annual report the costs incurred in the management of the Fund within the period under report and charged to the Fund (excluding transaction costs) are disclosed and reported as a ratio of the average Fund volume ("total expense ratio" – TER).

The Management Company may make use of the services of third parties for and in the management of derivative transactions and collateral for derivative transactions. The Management Company has the right to charge the Fund or Sub-Fund assets (or one or more share classes) a fee. These fees shall not be covered by the management fee and shall, as such, be charged to the Fund or Sub-Fund by the Management Company additionally.

### **Returning management fees received to certain investors and commission sharing agreements**

At its sole discretion, the Management Company may agree with individual investors to partially return the management company fee already received to such investors. This applies especially if institutional investors invest large amounts directly and on a long-term basis.

The Management Company generally passes on portions of its management company fee to intermediaries. This is paid as remuneration for sales services on the basis of brokered stocks. This may also involve significant portions. The Management Company does not receive any refunds from the remunerations and reimbursement of expenses to be paid from the Fund's assets to the Depositary and third parties. Monetary advantages offered by brokers and dealers, which the Management Company uses in the interests of investors, remain unaffected. The Management Company may enter into agreements with selected brokers pertaining to the provision of research or analysis services for the Management Company, under which the respective broker transfers to third parties, either immediately or subsequently, portions of the payments it receives pursuant to the relevant agreement from the Management Company for the purchase or sale of assets to brokers. The Management Company will use these broker services for the purposes of managing the investment fund ("commission sharing agreement").

The Company or the Management Company may avail itself of derivative transactions and collateral for derivative transactions originating from the services of third parties. In such cases, these third parties shall collectively receive a fee at the market rate charged to the respective Sub-Fund. The Company or the

Management Company may charge the Fund, a Sub-Fund or one or several unit classes a lower fee at their own discretion, or indeed exempt the latter from such a fee. The latter fees shall not be covered by the management fee and shall, as such, be charged to the Fund/Sub-Fund additionally. The Company states the fees charged to these third parties, and for all unit classes, in the annual and semi-annual reports.

## **REPORTS AND SHAREHOLDERS' MEETINGS**

The Company shall make available to the Shareholders within four months of the relevant year-end an audited annual report describing the assets, operations and results of the Company, and, within two months of the relevant half-year, it shall make available to the Shareholders an unaudited semi-annual report describing the assets and operations of the Company during such period. The financial year of the Company starts on 1 October and ends on 30 September of each year, except that the first financial year starts with the incorporation of the Company and ends on 30 September 2016.

The consolidation currency is the EURO (EUR).

The Net Asset Value, the Redemption Price and the Issue Price of each Class of Shares will be available (save as set out in the relevant Appendix) on or before the payment date (the "Payment Date", as specified in the relevant Sub-Fund Appendix) in Luxembourg at the registered offices of the Company, the Depositary and the Paying Agent. The Company reserves the right to introduce a list of media in which this information is published. The list of media (if any) from time to time selected by the Company will appear in the annual and semi-annual reports. The annual report and all other periodical reports of the Company are made available to the Shareholders at the registered offices of the Company and the Depositary.

Shareholders' meetings will be convened in accordance with Luxembourg law. The annual ordinary meeting of Shareholders will be held on the last Wednesday in January at 2 p.m. (Luxembourg time) of each year and for the first time, in 2017. If such day is not a banking day, which is simultaneously a stock exchange day in Luxembourg and Frankfurt am Main, the general meeting takes place on the immediately following business day in Luxembourg and Frankfurt am Main.

Other General Meetings of Shareholders will be held at such time and place as indicated in the notices of such meetings.

Notices of General Meetings are sent in accordance with Luxembourg law to the Shareholders at their addresses in the Share register. Notices will specify the place and time of the meetings, the conditions of admission, the agenda, the quorum and the voting requirements. The requirements as to attendance, quorum and majorities at all General Meetings will be those laid down in the Articles of Incorporation. All other Notices will be sent to Shareholders by post.

## **DATA PROTECTION**

Certain personal data of investors (especially the name, address and investment amount of each investor) can be collected and/or processed and used by the Fund, the General Partner, and the Management Company.

The Fund, the General Partner, and the Management Company are committed to maintaining the privacy and integrity of all personal data processed in relation to the Fund. The Fund, the General Partner, and the Management Company shall process personal data in compliance with the applicable data protection laws, including, but not limited to, Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "GDPR").

The unitholder/shareholder acknowledges having read and understood the Privacy Notice available at <https://www.universal-investment.com/en/privacy-notice-investors-ubos>. This Privacy Notice may be amended from time to time and shall be maintained at all times via the aforementioned link.

## **ANTI-MONEY LAUNDERING**

In accordance with the Luxembourg Law of 12 November 2004 on the fight against money laundering and terrorist financing, as amended, the Luxembourg law 20 July 2022 on the prevention of money laundering, the Grand-Ducal Regulation of 1 February 2010 as amended on 25 October 2022, Regulation 12-02 of 14 December 2012 as amended on 14 August 2020, and the relevant CSSF circulars and regulations, professionals of the financial sector, as defined under Art. 2 of the Law of 2004, are subject to certain anti-money laundering and counter-terrorist financing obligations in order to prevent the use of undertakings for collective investment for money laundering purposes. This includes, inter alia, the obligation to identify and legitimise investors and investment funds. The departing institutions of the investors are obliged to identify and legitimize themselves.

The Management Company or the Registrar and Transfer Agent of the Fund implement these identification proceedings and, if necessary, carry out a detailed verification in accordance with these requirements.

Investors must attach their identification documents as required by law to the subscription documents. These documents vary depending on the type or corporate form. The departing institutions of the investors are obliged to identify and legitimize themselves. The Fund and the Registrar and Transfer Agent reserve the right to request (additional) relevant information which is required to verify the identity of an applicant. If there is a delay or if the applicant fails to deliver the information required for verification purposes, the Management Company or the Registrar and Transfer Agent may refuse the application and will not be liable for any interest, costs or compensation.

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

The collection of data pursuant to the subscription process shall be for the sole purpose of complying with the requirements on the prevention of money laundering. All documents retained for this purpose will be held for five years after termination of the business relationship.

In the course of the Company's investment and divestment activities, in accordance with and as required by applicable law, the AIFM, together with the Board of Directors of the Company, will exercise due diligence with respect to the assets of the Company. Similarly, the Company will apply enhanced due diligence obligations in accordance with Article 3 of CSSF Regulation 12.02 where units or shares are subscribed through an intermediary acting for the account of its clients. This is done for the purpose of fulfilling all KYC obligations and duties to combat money laundering and terrorist financing in accordance with the applicable provisions of the AML/CTF Act, in order to comply with the laws and regulations applicable to the AIFM and to the Company.

## **APPLICABLE LAW, JURISDICTION**

Any legal disputes between the Company, the investors, the Depositary and paying agent, the Management Company, the domiciliary, the administrative, registrar and transfer agent, the Portfolio Managers and any distribution agents will be subject to the jurisdiction of the Grand-Duchy of Luxembourg. The applicable law is Luxembourg law. However, the above entities may, in relation to claims from investors from other countries, accept the jurisdiction of those countries in which Shares are offered and sold.

## **GENERAL INFORMATION**

The following documents are available for inspection at the registered office of the Company:

- the Prospectus;
- the Articles of Incorporation;
- Management Company Agreement;
- the PRIIPs-KIDs;

- the Portfolio Manager Agreement(s) (if any);
- the Investment Advisory Agreement(s) (if any);
- the Depositary, Paying Agency and Registrar and Transfer Agent Agreement and
- the Annual Report and Semi-Annual report (if any).

Copies of the Articles of Incorporation and the last available Reports can be obtained free of charge at the registered office of the Company.

Any legal disputes arising among or between the Shareholders, the Company and the Management Company / the Depositary shall be subject to the jurisdiction of the competent court in Luxembourg, provided that the Company may submit itself to the competent courts of such countries where required by regulations for the registration of Shares for offer and sale to the public with respect to matters relating to subscription and redemption, or other claims related to their holding by residents in such country or which have evidently been solicited from such country. Claims of Shareholders against the Company or the Depositary shall lapse 5 years after the date of the event giving rise to such claims (except that claims by Shareholders on the proceeds of liquidation to which they are entitled shall lapse only 30 years after these shall have been deposited at the *Caisse de Consignation* in Luxembourg).

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

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

**The Company hereby informs investors that an investor can only directly exercise its investor rights in their entirety vis-à-vis a UCITS if the investor itself is registered under its own name in the shareholder register of the UCITS. If an investor has invested in a UCI(TS) through an intermediary that makes the investment in its own name for the account of the investor, the investor may not be able to directly exercise all investor rights vis-à-vis the UCI(TS). It is recommended that investors inform themselves of their rights.**



## **LIST OF APPENDICES**

APPENDIX

**UI – Petrus Advisers Special Situations Fund UCITS**

APPENDIX

**UI – Aktia EM Frontier Bond+**

APPENDIX

**UI – Aktia EM Local Currency Bond+**

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**UI – Four Seasons Alpha Max Japan Fund**

APPENDIX

**UI – Hansabay Blossom Fund**

APPENDIX

**UI – Aktia Sustainable Corporate Bond Fund**

## APPENDIX UI – Petrus Advisers Special Situations Fund UCITS

In addition to the provisions of the General Part of the Prospectus the following Sub-Funds specific provisions apply. This appendix is only valid in connection with the General Part of the Prospectus.

<b>Sub-Fund name</b>	<b>UI – Petrus Advisers Special Situations Fund UCITS</b>
<b>Sub-Fund currency</b>	EUR
<b>Investment objective</b>	<p>The objective of the Sub-Fund is to generate high returns from long/short trading in the Continental European region. It is managed by a team of experienced investment professionals with regional investment banking and asset management track records.</p> <p>This Sub-Fund is not classified as a product promoting environmental or social characteristics within the meaning of the Disclosure Regulation (Article 8), nor as a product with sustainable investment as its objective (Article 9).</p> <p>The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p>The principal adverse impacts on sustainability factors ("PAI") are considered in the investment process at the level of the Management Company. A consideration of PAI at the level of the Sub-Fund is not binding and is not carried out in this respect. Information on PAI is available in the annual report of the respective Sub-Fund (Annual reports published as of 01.01.2023).</p>
<b>Investment policy</b>	<p>The Sub-Fund is actively managed.</p> <p>The Focus on the Sub-Fund lies within undervalued equities with low correlation to overall equity market mainly in the small mid-cap segment with stable cash flow and/or restructuring need primarily in German-speaking Europe and the CEE region.</p> <p>For the selection of investments the Sub-Fund will make use of proprietary fundamental research of the Portfolio Manager and a network of investment banks and industrialists.</p> <p>The Sub-Fund will engage in active trading to capitalize on short term to generate extra returns.</p> <p>Active hedging techniques will be employed to cushion market volatility and protect the portfolio from adverse external shocks.</p> <p>Among others, derivatives will be used for</p> <ul style="list-style-type: none"> <li>- hedging purposes: index derivate futures will be used to manage the Sub-Fund's net exposure.</li> <li>- anticipating negative development in share prices- put long especially in exchange traded options</li> <li>- generating additional revenues: covered call writing (exchange traded options i.e.)</li> <li>- for buying cheap: selling out puts (use of exchange traded options i.e.)</li> </ul> <p>OTC Swaps will be used to cover the short side. Generally, derivatives are not paramount to the strategy, but add on to main strategy of the Sub-Fund.</p> <p>The Sub-Fund may not invest more than 10% of its net assets in shares or units of other UCITS or UCI as mentioned in Article 41 (1) e) of the UCI law.</p>

	<p>The sub-fund will gain exposure to total return swaps up to a maximum of 100%, measured in relation to the sub-fund assets under management.</p> <p>Furthermore, the Sub-Fund may hold up to 20% bank deposits at sight. The above mentioned 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors</p> <p>In addition, the Sub-Fund may also invest in money market instruments such as longer-term time deposits in general for financial purposes or in the event of unfavorable market conditions. These are limited to a maximum of 49% including bank deposits at sight.</p> <p>Note: Among possible techniques for efficient portfolio management, the Sub-Fund currently only uses derivative transactions, which can be entered into in any form (included total return swaps). Securities financing transactions in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and re-use and amending Regulation (EU) No 648/2012 are not currently used for the Sub-Fund. If the Management Company intends to use other techniques for efficient portfolio management or securities financing transactions for the Sub-Fund, this Prospectus shall be amended accordingly.</p> <p>Additionally for tax purposes:</p> <p>The fund/sub-fund continuously invests more than 50% of its “total assets” (Aktivvermögen) directly or indirectly via other investment funds within the meaning of section 1(2) of the German Investment Tax Act (GITA) in equity participations (Equity fund – equity participation ratio). Equity participations (Kapitalbeteiligungen) in this meaning are:</p> <ul style="list-style-type: none"> <li>- Units in corporations which are admitted to official trading on a stock exchange or admitted to or included in another organised market and which are not shares in investment funds. For these purposes, an organised market is a market which is recognised, open to the public and operating regularly and which therefore meets the requirements of Article 50 of the UCITS Directive (Directive 2009/65/EC).;</li> <li>- Units in other investment funds which according to their investment conditions provide for a continuous minimum investment of 25% or a higher percentage in equity participations within the meaning of section 2(8) of the InvStG, in the amount of the percentage specified for this minimum investment.</li> </ul> <p>The “total assets” (Aktivvermögen) as defined in section 2(9a) GITA is determined by the value of the assets of the investment fund within the meaning of section 1(2) GITA without taking into account its liabilities. In the case of indirect investment in equity participations via other investment funds, the fund/sub-fund shall base its compliance with its equity fund – equity participation quota on the actual equity participation quotas published by these investment funds on each valuation date. An indirect investment in equity participations via other investment funds requires that these investment funds carry out a valuation at least once a week.</p> <p><b>No assurance can be given that the goals of the investment policy will be achieved.</b></p> <p>This Sub-Fund is not classified as a product promoting environmental or social characteristics within the meaning of the Disclosure Regulation (Article 8), nor as a product with sustainable investment as its objective (Article 9).</p>
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	<p>The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p>The principal adverse impacts on sustainability factors ("PAI") are considered in the investment process at the level of the Management Company. A consideration of PAI at the level of the Sub-Fund is not binding and is not carried out in this respect. Information on PAI is available in the annual report of the respective Sub-Fund (Annual reports published as of 01.01.2023).</p>		
<b>Investor Profile</b>	The Sub-Fund is suitable for investors who see the Sub-fund as a suitable means to participate in the capital market performance and who are seeking income. The Sub-Fund is therefore suitable for investors who can afford to invest their capital over the long term; i.e. a multiple year time horizon.		
<b>Management Company</b>	Universal-Investment-Luxembourg S.A.		
<b>Depository</b>	State Street Bank International GmbH Luxembourg Branch		
<b>Registrar and Transfer Agent</b>	State Street Bank International GmbH Luxembourg Branch		
<b>Paying Agent in Luxembourg</b>	State Street Bank International GmbH Luxembourg Branch		
<b>Portfolio Manager</b>	Petrus Advisers Ltd.		
<b>Valuation day</b>	Every full banking day, which is simultaneously a stock exchange day in Luxembourg, London and Frankfurt am Main (with the exception of 24 and 31 December of every year)		
<b>Cut-off time for subscriptions, redemptions and conversion of Shares</b>	4 p.m. (Luxembourg time) on the relevant Business Day (Dealing Date)		
<b>Payment of the issue prices</b>	within three (3) Business Days after the Valuation Day		
<b>Payment of the redemption prices</b>	within three (3) Business Days after the Valuation Day		
<b>Financial Year</b>	1 October to 30 September		
<b>1<sup>st</sup> Financial Year</b>	<p>From launch to 30 September 2016</p> <p>First annual report to 30 September 2016</p> <p>First semi-annual report to 31 March 2016</p>		
<b>Sub-Fund term</b>	Unlimited		
<b>Share classes</b>	R	I (reserved for institutional investors)	R CZK
<b>Hedging</b>	No	No	Yes

<b>Currency</b>	EUR	EUR	CZK
<b>ISIN Code (ISIN)</b>	LU1214676824	LU1214677046	LU2016807435
<b>Securities identification number (WKN)</b>	A14Q7A	A14Q69	A2PMHB
<b>Initial Issue Price (excluding Subscription Fee)</b>	100.- EUR	100.- EUR	1000 CZK
<b>Initial minimum investment<sup>1</sup></b>	none	250,000.- EUR	none
<b>Subsequent investment*</b>	none	10,000.-	none
<b>Subscription Price</b>	The "Subscription Price" means during the Initial Offering Period, the Initial Offering Price, and after the Initial Offering Period, the Net Asset Value per Share of the relevant Share Class calculated on the concurrent Valuation Day in accordance with the Articles and the Prospectus.		
<b>Subscription fee currently applicable</b>	none	none	Up to 2.5 %
<b>Redemption Price</b>	Subject to the Articles, the "Redemption Price" will be denominated in the applicable Reference Currency and will be equal to the Net Asset Value per Share of the relevant Share Class at the relevant Valuation Day, after adjustment for any accrual of Management Fees and Performance Fees due (if not already included in the Net Asset Value) as well as any other redemption fee.		
<b>Redemption fee currently applicable</b>	none	none	none
<b>Anti-dilution measures</b>	none	none	none
<b>Appropriation of earnings</b>	distributing	distributing	distributing
<b>Exchange commission</b>	Where different share classes are offered within the Sub-Fund, an exchange of Shares from one share class for Shares in another share class within the Sub-Fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged.		
<b>Launch date/ activation date in Luxembourg</b>	6 June 2016	6 August 2015	18.07.2019

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<sup>1</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

<p><b>Management Company Fee and Administration Fee</b></p>	<p>Share Classes R + R CZK* up to 2.75 % p.a. of the net asset value of the Sub-Fund Share Class I up to 2.0 % p.a. of the net asset value of the Sub-Fund</p> <p>A minimum fee of up to 82,500.- EUR p.a. for the Sub-Fund plus a fixed Management Company Fee of up to 25,000 EUR p.a.</p> <p><b>Until 31.12.2023 the following wording applies:</b>The Management Company Fee and Administration Fee is to be calculated on each valuation day and paid out on a <b>quarterly</b> basis, based on the average net asset value of the relevant <b>quarter</b>. The Management Company can accept a lower fee or waive the fee</p> <p><b>As of 01.01.2024 the following wording applies:</b></p> <p>The Management Company Fee and Administration Fee is to be calculated on each valuation day and paid out on a <b>monthly</b> basis, based on the average net asset value of the relevant <b>month</b>.</p> <p>The Management Company can accept a lower fee or waive the fee.</p>
<p><b>Depository Fee</b></p>	<p>Up to 0,03% p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 30,000.- EUR p.a., plus safekeeping fee and transaction fee. In addition, the Depository/Custodian will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Custodian may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made.</p>
<p><b>Transfer Agency Fee</b></p>	<p>1,500 EUR per ISIN code p.a. plus transaction and reporting fees. The Transfer Agency will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Transfer Agency may vary depending on the nature of the investor and the countries which the investors are located.</p>
<p><b>Portfolio Manager Fee</b></p>	<p>The Portfolio Manager Fee will be paid out of the Management Company and Administration Fee.</p> <p>Share Classes R + R CZK *up to 1.75 % p.a. of the net asset value of the Sub-Fund, currently not subject to Luxembourg VAT.</p> <p>Share classes I up to 1.50 % p.a. of the net asset value of the Sub-Fund, currently not subject to Luxembourg VAT. <b>Until 31.12.2023 the following wording applies:</b></p> <p>The Portfolio Manager Fee shall be calculated on each valuation day and paid to the Portfolio Manager quarterly, based on the average net asset value of the relevant quarter.</p> <p>The Portfolio Manager can accept a lower fee or waive the fee.</p> <p><b>As of 01.01.2024 the following wording applies:</b></p> <p>The Portfolio Manager Fee shall be calculated on each valuation day and paid to the Portfolio Manager monthly, based on the average net asset value of the relevant month.</p> <p>The Portfolio Manager can accept a lower fee or waive the fee.</p>

<p><b>Performance Fee until 31.12.2023</b></p>	<p>In addition to the portfolio manager fee, for each share issued, the Portfolio Manager may receive a performance fee (the “Performance Fee”) of up to 20% of the amount by which the share value at the end of an accounting period exceeds the income from a money-market investment used as a benchmark in this accounting period by 3% (“hurdle rate”) , however, up to a maximum of 20 % of the average net asset value of the UCITS investment fund in the accounting period calculated from the values at the end of each valuation date. Sentence 1 applies if share classes are formed accordingly for each share class. If the share value at the beginning of the accounting period is lower than the highest level of the share value of the UCITS investment fund or the relevant share class at the end of the five preceding accounting periods (hereinafter “high-water mark”), the high-water mark will replace the share value at the beginning of the accounting period for the purpose of calculating the share value performance in accordance with sentence 1. If there are fewer than five previous accounting periods for the UCITS investment fund or share class, all previous accounting periods will be taken into account when calculating the fee.</p> <p>The costs charged to the UCITS investment fund may not be deducted from the performance of the benchmark before the comparison takes place.</p> <p>The specified benchmark is EURIBOR 12 months.</p> <p>The accounting period starts on 1 October and ends on 30 September of each year. The first annual accounting period starts on 1 October 2020. The share value performance is calculated using the BVI method (explanation on the website ‘www.bvi.de’).</p> <p>Based on the outcome of a daily calculation, any calculated performance fee incurred is set aside within the UCITS investment fund per share issued or any provision that has already been posted is reversed accordingly. Reversals of provisions are allocated to the UCITS investment fund. A performance fee can only be withdrawn if corresponding provisions have been formed.</p> <p>The Portfolio Manager may charge a reduced performance fee, or not charge one at all, for the UCITS investment fund or one or more share classes.</p> <p>* To clarify the performance fee, the descriptions are presented in a mathematical formula and an example calculation:</p> $\text{HWM } t = \text{MAX}(AW_{t-1}; AW_{t-2}; AW_{t-3}; AW_{t-4}; AW_{t-5})$ $\text{PERF\_FEE } t = \text{MIN}(\text{PART} * \text{MAX}(\text{PERF}_{\text{FONDS(HWM)}} t - \text{PERF}_{\text{BENCH } t}; 0); \text{CAP}) * \text{NAV}_{\text{DURCH } t}$ <p>With:</p> <ul style="list-style-type: none"> <li>• PERF_FEE: Performance fee in the share class currency at the end of period t</li> <li>• PART: Participation</li> <li>• CAP: CAP – Maximum performance fee as a percentage of the average net asset value for the period</li> <li>• PERF<sub>FONDS(HWM)</sub> t: Performance of the fund in period t to the current High Water Mark (HWM t)</li> <li>• PERF<sub>BENCH</sub> t: Performance of the benchmark in period t</li> <li>• NAV<sub>DURCH</sub> t: Average net asset value of the share class in the period t</li> </ul>
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	<ul style="list-style-type: none"> <li>• <math>AW_{t-1;2;3;4;5}</math>: NAV per share at the end of period t-1, t-2, t-3, t-4, t-5</li> </ul>																																								
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Year3	114,00 EUR	122,55 EUR	7,50%	7,50%	3,50%	4,00%	70 Mio. EUR	560.000 EUR	0,80%
Year4	122,55 EUR	125,00 EUR	2,00%	2,00%	3,00%	-1,00%	65 Mio EUR	0 EUR	0,00%
Year5	125,00 EUR	140,00 EUR	12,00%	12,00%	5,00%	7,00%	72 Mio. EUR	1.008.000 EUR	1,40%
<p>* Participation is 20%</p> <p>** CAP is 20%, i.e. the relative performance fee may not exceed 20%.</p> <p>*** The benchmark for all share classes is EURIBOR 12 months plus 3% p.a.</p>									

<p><b>Performance Fee as of 01.01.2024</b></p>	<p>In addition to the portfolio manager fee, for each share issued, the Portfolio Manager may receive a performance fee (the "Performance Fee") of up to 20% of the amount by which the share value at the end of an accounting period exceeds the maximum unit value at the end of the five preceding accounting periods ("high-water mark"), however, only if the unit value at the end of the accounting period exceeds the unit value at the beginning of the accounting period by 2% ("hurdle rate"), however, up to a maximum of 20 % of the average net asset value of the UCITS investment fund in the accounting period calculated from the values at the end of each valuation date.</p> <p>Sentence 1 applies if share classes are formed accordingly for each share class. If there are fewer than five previous accounting periods for the UCITS investment fund or share class, all previous accounting periods will be taken into account when calculating the fee.</p> <p>The costs charged to the UCITS investment fund may not be deducted from the performance of the benchmark before the comparison takes place.</p> <p>The accounting period starts on 1 October and ends on 30 September of each year. The first annual accounting period starts on 1 October 2020. The share value performance is calculated using the BVI method (explanation on the website 'www.bvi.de'). Based on the outcome of a daily calculation, any calculated performance fee incurred is set aside within the UCITS investment fund per share issued or any provision that has already been posted is reversed accordingly. Reversals of provisions are allocated to the UCITS investment fund. A performance fee can only be withdrawn if corresponding provisions have been formed. The Portfolio Manager may charge a reduced performance fee, or not charge one at all, for the UCITS investment fund or one or more share classes.</p> <p>* To clarify the performance fee, the descriptions are presented in a mathematical formula and an example calculation:</p> $\text{HWM } t = \text{MAX}(\text{AW}_{t-1}; \text{AW}_{t-2}; \text{AW}_{t-3}; \text{AW}_{t-4}; \text{AW}_{t-5})$ $\text{PERF\_FEE } t = \text{IF}(\text{PERF}_{\text{FONDS } t} > \text{PERF}_{\text{HURD } t}, ((\text{MIN}(\text{PART} * \text{PERF}_{\text{FONDS}(\text{HWM}) } t); \text{CAP}) * \text{NAV}_{\text{DURCH } t}); 0)$ <p>With:</p> <p>PERF_FEE: Performance fee in the share class currency at the end of period t</p> <p>PART: Participation</p> <p>CAP: CAP – Maximum performance fee as a percentage of the average net asset value for the period</p> <p>PERF_FONDS t: Performance of the fund in period t</p> <p>PERF_FONDS(HWM) t: <ul style="list-style-type: none"> <li>Performance of the fund in period t to the current High Water Mark (HWM t)</li> </ul> </p> <p>PERF_HURLDE t: Performance of the hurdle in period t</p> <p>NAV_DURCH t: Average net asset value of the share class in the period t</p>
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<b>Explanation of terms and calculation examples:</b>										
	Performance (Perf.) of the fund:	The performance of the fund is always calculated over an annual period (calculating period). The period begins on 01.10. and ends on 30.09. of each year. The first accounting period begins on 01.10.2020.								
	High Water Mark (HWM):	The HWM is the highest value of the NAV per share at the end of the last five calculation periods.								
	Performance (Perf.) of the fund to HWM:	The performance of the fund to the HWM is calculated in the same way as the performance of the fund, whereby the starting NAV per share value for calculating the performance corresponds to the current HWM.								
	Performance of the Hurdle:	Performance of the hurdle during the calculation period (2% p.a.).								
	Outperformance to the Hurdle:	Difference between the performance of the fund and the hurdle.								
	NAV:	Average of the fund daily net asset values in the calculation period.								
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						Hurdle Rate 2% p.a.	Performance Fund minus Hurdle Rate		If Outperformance to the Hurdle > 0, then Perf. of the fund to HWM multiplied by NAV and participation*, otherwise 0 EUR	Perf. Fee (absolute) divided by NAV
	Year 1	100,00 EUR	95,00 EUR	-5,00%	-5,00%	2,00%	-7,00%	50 Mio. EUR	0 EUR	0,00%
	Year 2	100,00 EUR	114,00 EUR	20,00%	14,00%	2,00%	18,00%	60 Mio. EUR	1.680.000 EUR	2,80%
	Year 3	114,00 EUR	125,40 EUR	10,00%	10,00%	2,00%	8,00%	70 Mio. EUR	1.400.000 EUR	2,00%

	<p>Year4 125,40 110,35 -12,00% -12,00% 2,00% -14,00% 65 Mio. 0 EUR 0,00%</p> <p>EUR EUR</p> <p>Year5 125,40 126,90 15,00% 1,20% 2,00% 13,00% 72 Mio. 172.800 0,24%</p> <p>EUR EUR EUR EUR</p> <p>*Participation is 20%</p> <p>**Cap is 20%, i.e. the relative performance fee may not exceed 20%</p>
<b>Distribution Fee</b>	None
<b>Taxe d'abonnement</b>	"R" + "R CZK" Share Class (Retail): 0.05% p.a. "I" Share Class (Institutional): 0.01% p.a.
<b>FATCA classification</b>	<p>According to the current national Luxembourg FATCA legislation, the Sub-Fund qualifies as a "Restricted Fund" in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, shares in the Sub-Fund must not be offered, sold, transferred or delivered to:</p> <ul style="list-style-type: none"> <li>• Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,</li> <li>• Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and</li> <li>• Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.</li> </ul>
<b>CRS Classification</b>	Luxembourg Financial Institution (Investment Entity)
<b>Distribution countries</b>	Luxembourg, Germany, Austria, UK, Netherlands; CZK
<b>Risk Management Procedure</b>	Relative VaR Approach
<b>Derivative-free reference portfolio</b>	50 % EURO STROXX 50 Index + 50 % EURO STOXX Small Index
<b>Expected Leverage</b>	The average leverage of the Sub-Fund, under normal market conditions, calculated as the "Sum of the Notionals" of the financial derivative instruments used, is expected to be 250% although lower and higher levels are possible
<b>Disclosure Regulation Classification</b>	The Sub-Fund is classified as an article 6 Sub-Fund under the Disclosure Regulation as Defined below.

## INCLUSION OF SUSTAINABILITY RISKS IN THE INVESTMENT PROCESS

As part of the investment process, the relevant financial risks are integrated in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of Regulation (EU)

2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector ("Disclosure Regulation"), which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the investment Sub-Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the investment Sub-Fund may be realized.

## **DERIVATIVES**

The Sub-Fund may, subject to the conditions and within the limits laid down in the 2010 Law and any present or future related Luxembourg laws or implementing regulations, CSSF circulars (the "Regulations"), invest in financial derivative instruments for hedging and investment purposes and/or to manage foreign exchange risks. Financial derivative instruments include, but are not limited to, futures, options, swaps (including, but not limited to total return swaps and forward foreign currency contracts).

### **Special Features of Total Return Swap Transactions:**

- a) The investment policy of the sub-fund will allow the use of total return swaps, the rationale for their use is to broaden investment universe, increase flexibility and decrease costs.
- b) The underlying asset types of the total return swaps could be equities.
- c) The sub-fund will gain exposure to total return swaps up to a maximum of 100%, measured in relation to the sub-fund assets under management.
- d) The sub-fund will gain exposure to total return swaps in average of 25%, measured in relation to the sub-fund assets under management.

It should be noted, that the percentage figures mentioned in d) cannot be considered as investment restrictions and no compensation can be claimed in events of disregard. In case of sustainable changes in that the investment strategy with regards to the use and extent of total return swaps as outlined above, the management company will adjust the provided information above as soon as possible.

## **PORTFOLIO MANAGER**

The Portfolio Manager is Petrus Advisers Ltd., 6 New Street Square, New Letter Lane, London EC4A 3AQ, United Kingdom manages the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objective and policies of the Sub-Fund as described in this Appendix, and is responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by it at its discretion.

## **FEES AND EXPENSES**

### **Management Company and Administration Fee charged to Sub-Fund assets**

The Management Company and Administration Fee for UIL is to be calculated on each valuation day and paid out on a monthly basis, based on the average net asset value of the relevant month. The Management Company can accept a lower fee or waive the fee.

### **Depository and Paying Agency Fee, Registrar and Transfer Agency Fee charged to Sub-Fund assets**

The remuneration is payable monthly on a pro rata basis. Transaction costs will be charged separately.

**Portfolio Manager Fee**

The remuneration of the Portfolio Manager shall be calculated on each valuation day and paid to the Portfolio Manager monthly, based on the average net asset value of the relevant month. The Portfolio Manager can accept a lower fee or waive the fee.

**Other Costs**

Costs for the provision of analysis material or services by third parties in relation to one or more financial instruments or other assets or in relation to the issuers or potential issuers of financial instruments or in close connection with a certain industry or a certain market up to 0,1 % p.a. of the average value of the net asset value, in the relevant fiscal year, of the Sub-Fund

## APPENDIX UI – Aktia EM Frontier Bond+

In addition to the provisions of the General Part of the Prospectus the following Sub-Funds specific provisions apply. This appendix is only valid in connection with the General Part of the Prospectus.

<b>Sub-Fund name</b>	<b>UI – Aktia EM Frontier Bond+</b>
<b>Sub-Fund currency</b>	EUR
<b>Investment objective</b>	<p>Over the long-term the fund seeks to achieve the best possible return and to outperform the benchmark of the Sub-Fund.</p> <p>The benchmark index used for the Sub-Fund is 100% JPM GBI-EM Global Diversified TR (EUR). The Benchmark Index is determined by the Company for the Sub-Fund and may be changed if necessary. However, the Sub-Fund does not aim to replicate the Benchmark Index. The Portfolio Manager may, at its discretion, invest in securities or sectors not included in the Benchmark Index in order to take advantage of specific investment opportunities. The investment strategy limits the extent to which the portfolio holdings may deviate from the Benchmark Index. This deviation may be material.</p>
<b>Investment strategy</b>	<p>The investment strategy is a macro-economically and fundamentally driven approach with a long-term investment horizon (the so called “traffic lights approach”). Investments are identified through a qualitative and quantitative decision-making process in local currency frontier market government bonds and money market instruments. The investment universe includes more than 90 EM and Frontier sovereign markets and AAA supnationals. The focus is on absolute return (benchmark-aware, not driven), inflation expectations and real yields. The strategy targets higher risk adjusted total returns with lower FX volatility through diversification and off- benchmark exposures.</p> <p>The Sub-Fund is an Emerging Market Debt Fund that invests globally and mainly in emerging market fixed income and interest-bearing securities issued in emerging markets local currency by emerging markets sovereigns, supnationals and/or multilaterals. Derivative instruments may also be used for investment purposes to take currency risk.</p> <p>The Sub-Fund is actively managed.</p> <p>This Sub-Fund promotes environmental and social features within the meaning of Article 8 of the Disclosure Regulation. However, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities, nor are sustainable investments within the meaning of Article 2 No. 17 of the Disclosure Regulation sought.</p> <p>The principal adverse impacts on sustainability factors (“PAI”) are considered in the investment process at the level of the Management Company. A consideration of PAI at the level of the Sub-Fund is binding and is carried out in this respect. Information on PAI is available in the annual report of the respective Sub-Fund (Annual reports published as of 01.01.2023).</p> <p><b>Information on the environmental and/or social characteristics is available in the Annex „Pre-contractual disclosure Article 8 Disclosure Regulation “.</b></p>
<b>Investment restrictions</b>	<p>At least 51% of the net asset value will be invested in Bonds and currency exposure covering risk from the Emerging and Frontier Markets.</p> <p>Investments in equities and securities with equity character will not be undertaken.</p> <p>FX Forwards and Non Deliverable Forwards could be used for investment and hedging purposes. Other Financial Derivate Instruments (FDI) will not be used.</p>

	<p>Furthermore, the Sub-Fund may hold up to 20% bank deposits at sight. The above mentioned 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors.</p> <p>In addition, the Sub-Fund may also invest in money market instruments such as longer-term time deposits in general for financial purposes or in the event of unfavorable market conditions. These are limited to a maximum of 49% including bank deposits at sight.</p> <p>Note: Among possible techniques for efficient portfolio management, the Sub-Fund currently only uses derivative transactions, which can be entered into in any form. Securities financing transactions and total return swaps in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and re-use and amending Regulation (EU) No 648/2012 are not currently used for the Sub-Fund. If the Management Company intends to use other techniques for efficient portfolio management or securities financing transactions for the Sub-Fund, this Prospectus shall be amended accordingly.</p> <p>Direct and indirect investments in Asset Backed Securities (ABS) and Mortgage Backed Securities (MBS) will not be undertaken.</p>
<b>Other regulated markets</b>	<p>The Sub-Fund can invest in transferable securities and money market instruments dealt in on another regulated market (the "Regulated Market") in an Eligible State, which operates regularly and is recognised and open to the public.</p> <p>The investment universe includes more than 90 EM and Frontier sovereign markets to the extent and as long as the requirements of Article 41 I c) of the Law of 2010 are satisfied:</p> <p>Ghana Stock Exchange  Uganda Securities Exchange  Lusaka Stock Exchange  Namibian Stock Exchange  Santo Domingo Stock Exchange  Bolsa de Valores de Montevideo</p>
<b>Share Classes Currency hedging</b>	<p>Investments in debt securities issued in emerging markets local currency and in currency instruments will not generally be hedged.</p> <p>In the "I AH" share class all EUR/USD risk will be hedged in a systematic and predetermined manner. The effective open FX risk in this share class will be the emerging market local currency FX risk against the USD.</p> <p>Currency hedging will be made through the use of currency forward contracts. Due to movements in market valuations and due to in- and outflows in the sub-fund, the hedge ratio will fluctuate over time. The hedge ratio will be between 95% and 105% at all times. Any costs incurred relating to the above mentioned hedging will be borne by the "I AH" share class.</p>
<b>Investor Profile</b>	<p>This Sub-Fund is suitable for the Investor who is prepared to take the higher risks associated with investments in the Emerging Markets in order to maximise the return. Thus, the Investor should have experience with volatile products and should be able to accept significant temporary losses.</p>
<b>Benchmark</b>	<p>JP Morgan Government Bond Index- Emerging Markets Diversified, GBI-EM Diversified</p>
<b>Management Company</b>	<p>Universal-Investment-Luxembourg S.A.</p>
<b>Depository</b>	<p>State Street Bank International GmbH Luxembourg Branch</p>



<b>Registrar and Transfer Agent</b>	State Street Bank International GmbH Luxembourg Branch
<b>Paying Agent in Luxembourg</b>	State Street Bank International GmbH Luxembourg Branch
<b>Portfolio Manager</b>	Aktia Bank Plc
<b>Collateral Manager</b>	Universal-Investment-Gesellschaft mbH
<b>Distributor</b>	Aktia Bank Plc
<b>Valuation day</b>	Every full banking day, which is simultaneously a stock exchange day in Luxembourg, London and Frankfurt am Main (with the exception of 24 and 31 December of every year)
<b>Cut-off time for subscriptions, redemptions and conversion of Shares</b>	4 p.m. (Luxembourg time) on the relevant Business Day (Dealing Date)
<b>Payment of the issue prices</b>	within three (3) Business Days after the Valuation Day
<b>Payment of the redemption prices</b>	within three (3) Business Days after the Valuation Day
<b>Financial Year</b>	1 October to 30 September
<b>1<sup>st</sup> Financial Year</b>	From launch to 30 September 2018 First annual report to 30 September 2018 First semi-annual report to 31 March 2018
<b>Sub-Fund term</b>	Unlimited
<b>Subscription Price</b>	The "Subscription Price" means during the Initial Offering Period, the Initial Offering Price, and after the Initial Offering Period, the Net Asset Value per Share of the relevant Share Class calculated on the concurrent Valuation Day in accordance with the Articles and the Prospectus as well as potential anti-dilution measures, if applicable..
<b>Redemption Price</b>	Subject to the Articles, the "Redemption Price" will be denominated in the applicable Reference Currency and will be equal to the Net Asset Value per Share of the relevant Share Class at the relevant Valuation Day, after adjustment for any accrual of Management Fees due (if not already included in the Net Asset Value) as well as any other redemption fee and potential anti-dilution measures, if applicable.
<b>Exchange commission</b>	Where different share classes are offered within the Sub-Fund, an exchange of Shares from one share class for Shares in another share class within the Sub-Fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged.
<b>Management Company Fee and Administration Fee</b>	Up to 1.80 % p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 50,000 EUR p.a. plus a fixed Management Company Fee of up to 25,000 EUR p.a. The Management Company can accept a lower fee or waive the fee.

<b>Depository Fee</b>	Up to 0.03% p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 30,000.- EUR p.a., plus safekeeping fee and transaction fee. In addition, the Depository/Custodian will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Custodian may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made.
<b>Transfer Agency Fee</b>	1,500 EUR per ISIN code p.a. plus transaction and reporting fees. The Transfer Agency will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Transfer Agency may vary depending on the nature of the investor and the countries which the investors are located.
<b>Collateral Management Fee</b>	2,000 EUR p.a. per contractual agreement negotiated and maintained per counterparty plus 1,750 EUR p.a. per active agreement for the operational tasks and implementation of the contractual obligations.
<b>Distribution Fee</b>	Included in the above referred to Management Company and Administration Fee
<b>Advisory Fee</b>	Included in the above referred to Management Company and Administration Fee
<b>Research costs</b>	Up to 0.10 % of the average net asset value in the relevant fiscal year
<b>FATCA classification</b>	<p>According to the current national Luxembourg FATCA legislation, the Sub-Fund qualifies as a "Restricted Fund" in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, shares in the Sub-Fund must not be offered, sold, transferred or delivered to:</p> <ul style="list-style-type: none"> <li>• Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,</li> <li>• Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and</li> <li>• Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.</li> </ul>
<b>CRS classification</b>	Luxembourg Financial Institution (Investment Entity)
<b>Distribution countries</b>	Luxembourg, Germany, Austria, France, Netherlands, Finland, Sweden, Ireland
<b>Risk management Procedure</b>	Commitment Approach

<b>Share classes</b>	<b>R</b>	<b>I</b>	<b>IX</b>	<b>IAH</b>
<b>Currency</b>	EUR	EUR	EUR	EUR
<b>Hedged</b>	No	No	No	Yes

<b>ISIN Code (ISIN)</b>	LU1669793744	LU1669793827	LU1669794049	LU1848876493
<b>Securities identification number (WKN)</b>	A2DWDY	A2DWDZ	A2DWD0	A2JPL3
<b>Initial Issue Price (excluding Subscription Fee)</b>	EUR 100	EUR 100	EUR 100	EUR 100
<b>Initial minimum investment<sup>2</sup></b>	EUR 100	EUR 500.000	EUR 10 Mio.	EUR 500.000
<b>Subsequent investment<sup>3</sup></b>	N/A	EUR 500	EUR 1 Mio.	EUR 500
<b>Subscription fee currently applicable<sup>4</sup></b>	Up to 5%	Up to 5%	0%	Up to 3%
<b>Redemption fee currently applicable</b>	None	None	None	None
<b>Appropriation of earnings</b>	Distributing	Accumulating	Accumulating	Accumulating
<b>Launch date/ activation date in Luxembourg</b>	16 Nov. 2017	16 Nov. 2017	26 Apr. 2018	21 Sept. 2018
<b>Portfolio Manager Fee</b>	Max. percentage p.a. of the net asset value of the Sub-Fund ; included in the above referred to Management Company and Administration Fee			
	1.50%	1.05%	0.85%	1.05%
<b>Performance Fee</b>	none			
<b>Taxe d'abonnement</b>	0.05% p.a.	0.05% p.a.	0.01% p.a.	0.01% p.a.

<b>Share classes</b>	<b>IX</b>	<b>I</b>	<b>IX</b>	<b>R (clean)</b>
<b>Hedged</b>	No	No	No	No
<b>Currency</b>	SEK	USD	NOK	EUR

<sup>2</sup> The Board may at its own discretion waive the initial minimum

<sup>3</sup> The Board may at its own discretion waive the subsequent investment amount

<sup>4</sup> In individual cases the Board or the Distributor can determine a different agreement regarding the subscription fee

<b>ISIN Code (ISIN)</b>	LU1950510971	LU1950511193	LU2445919652	LU2619349140
<b>Securities identification number (WKN)</b>	A2PD15	A2PD16	A3DEST	A3EE61
<b>Initial Issue Price (excluding Subscription Fee)</b>	SEK 100	USD 100	NOK 100	EUR 100
<b>Initial minimum investment<sup>5</sup></b>	SEK 1000 Mio.	USD 500.000	NOK 1 Bn	none
<b>Subsequent investment*</b>	none	none	none	none
<b>Subscription fee currently applicable<sup>6</sup></b>	Up to 3%	Up to 3%	Up to 3%	Up to 3%
<b>Redemption fee currently applicable</b>	none	none	none	none
<b>Appropriation of earnings</b>	Accumulating	Accumulating	Accumulating	Accumulating
<b>Launch date/ activation date in Luxembourg</b>	8 May 2019	29 July 2019	15 March 2022	TBD
<b>Portfolio Manager Fee</b>	Max. percentage p.a. of the net asset value of the Sub-Fund; included in the above referred to Management Company and Administration Fee			
	0.85%	1.05%	0,85%	0,85%
<b>Performance Fee</b>	none	none	none	none
<b>Taxe d'abonnement</b>	0.01% p.a.	0.05% p.a.	0.01% p.a.	0.05% p.a.

<b>Share classes</b>	<b>"R ACC"</b>	<b>IX (H)</b>	<b>IX (H)</b>
<b>Currency</b>	EUR	USD	GBP
<b>Hedged</b>	No	Yes	Yes
<b>ISIN Code (ISIN)</b>	TBD	LU2619349496	LU2619349223

<sup>5</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

<sup>6</sup> In individual cases the Board or the Distributor can determine a different agreement regarding the subscription fee

<b>Securities identification number (WKN)</b>	TBD	A3EE62	A3EE63
<b>Initial Issue Price (excluding Subscription Fee)</b>	EUR 100	USD 100	GBP 100
<b>Initial minimum investment<sup>7</sup></b>	EUR 100	USD 10,000,000	GBP 10,000,000
<b>Subsequent investment*</b>	None	none	none
<b>Subscription fee currently applicable<sup>8</sup></b>	Up to 5.00 %	Up to 3%	Up to 3%
<b>Redemption fee currently applicable</b>	None	none	none
<b>Appropriation of earnings</b>	Accumulating	Accumulating	Accumulating
<b>Launch date/ activation date in Luxembourg</b>	TBA	TBD	TBD
<b>Portfolio Manager Fee</b>	up to 1.45 %	Max. percentage p.a. of the net asset value of the Sub-Fund; included in the above referred to Management Company and Administration Fee	
		0.85%	0.85%
<b>Performance Fee</b>	none	none	none
<b>Taxe d'abonnement</b>	0.05%	0.01% p.a.	0.01% p.a.
<b>Sales restrictions</b>	Available to retail and institutional investors	-	-

## INCLUSION OF SUSTAINABILITY RISKS IN THE INVESTMENT PROCESS

As part of its investment process, the Sub-Fund includes all relevant financial risks in its investment decision-making process and evaluates them on an ongoing basis. In doing so, all relevant sustainability risks within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on

<sup>7</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

<sup>8</sup> In individual cases the Board or the Distributor can determine a different agreement regarding the subscription fee

sustainability-related disclosure requirements in the financial services sector ("Disclosure Regulation"), which could have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and/ or the liquidity of the investment and thus on the return of the Sub-Fund. Sustainability risks can have a significant impact on all known risk types and, as a factor, can contribute to the materiality of these risk types.

As part of the selection of assets for the investment Sub-Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the investment Sub-Fund may be realized.

For more information on how sustainability risks are incorporated into the investment process and on the possible extent of the impact of sustainability risks on returns, please refer to the Universal-Investment website.

The Sub-Fund is managed in relation to the benchmark index JP Morgan Government Bond Index- Emerging Markets Diversified, GBI-EM Diversified. This benchmark index is not considered to be consistent with any specific ESG characteristics. The aim of the Sub-Fund is not to track the benchmark index and no investment decisions are taken relative to the benchmark. The composition of the Sub-Fund and its performance may vary substantially to fully and in the long term - positively or negatively - from the benchmark index.

## **SHARE CLASSES**

The purchase of share class R (Clean) is reserved exclusively for market participants (e.g. banks, asset managers, fee-based advisors) who, due to legal or regulatory requirements or special remuneration agreements with end investors / institutional investors (e.g. wealth management contracts), are not allowed to accept and / or collect ongoing sales commissions. The management company and the custodian of the sub-fund reserve the right to request corresponding confirmations / evidence from the respective counterparty of the share class transaction when units of this share class are requested.

## **PORTFOLIO MANAGER**

The Portfolio Manager Aktia Bank Plc Arkadiankatu 4-6FI-00101 Helsinki manages the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objective and policies of the Sub-Fund as described in this Appendix, and is responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by it at its discretion.

## **COLLATERAL MANAGER**

The collateral management for transactions with derivatives of the Sub-Fund is outsourced to Universal-Investment-Gesellschaft mbH, Theodor-Heuss-Allee 70, 60486 Frankfurt am Main (the „Collateral Manager“). The Collateral Manager will initiate the exchange of collateral in order to mitigate the risks of transactions with OTC derivatives ("Collateral Management"). Collateral may be provided in for of cash or securities to be exchanged between the acting counterparties.

## **FEES AND EXPENSES**

### **Management Company and Administration Fee charged to Sub-Fund assets**

The Management Company and Administration Fee for UIL is to be calculated on each valuation day and paid out on a quarterly basis, based on the average net asset value of the relevant quarter. The Management Company can accept a lower fee or waive the fee.

**Depository and Paying Agency Fee, Registrar and Transfer Agency Fee charged to Sub-Fund assets**

The remuneration is payable monthly on a pro rata basis. Transaction costs will be charged separately.

**Portfolio Manager Fee**

The remuneration of the Portfolio Manager shall be calculated on each valuation day and paid to the Portfolio Manager quarterly, based on the average net asset value of the relevant month. The Portfolio Manager can accept a lower fee or waive the fee.

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

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

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

<b>Product name:</b> UI - Aktia EM Frontier Bond+	<b>Legal entity identifier (Lei-Code):</b> 5299004KA3NFP2NXNU18
<b>Environmental and/or social characteristics</b>	
<b>Does this financial product have a sustainable investment objective?</b>	
●● <input type="checkbox"/> Yes	●● <input checked="" type="checkbox"/> No
It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b> in economic activities that qualify as environmentally sustainable under the EU Taxonomy in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  It will make a minimum of <b>sustainable investments with a social objective: _____%</b>	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 with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy with a social objective  <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments.</b>



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

This (Sub)Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation.

In the fund's investment process each country is analyzed and ranked on a wide variety of factors. The most prominent factors are governance and social aspects of each country. Environmental factors are also taken into consideration, but the weighting is smaller compared to governance and social factors. The approach focuses on categorizing each country into one of four colors, green (fully investable), yellow (fully investable, with heightened monitoring), red (no government financing) and black (not investable). As such, the process focuses on excluding countries by either not allowing government financing (no government bond investments) or to completely exclude from the investment universe.



Our holistic approach looks at governance from a wide array of views, from governance structure, governance effectiveness, corruption, democracy, and human rights indicators. Social aspects are measured in social welfare, education, infrastructure, health and equality. Environmental analysis is focused on each country's vulnerability to climate change, emissions and green transition.

We do not finance the government in countries as classified red according to our country selection model, i.e. we do not invest in government bonds of those countries. However, in red countries we make investments through FX forwards and development finance institution (DFI) issued AAA-rated bonds. DFI issued bonds are only used to finance development projects in different countries. DFI-instruments are used to produce positive development impacts and support sustainable economic growth in target countries. Projects financed by DFIs need to comply with their ESG requirement and impact is measured and monitored. Projects range from green energy projects to microfinancing for women entrepreneurs. Emerging markets, especially frontier markets, have often underdeveloped domestic capital markets. Therefore, providing local currency financing in these markets has strong development impact itself.

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

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

The fund does not strictly exclude any country based on a single factor. Based on our in-house fundamental data model and in-house ESG tools we designate countries into one of four color groups: green (fully investable), yellow (fully investable, with heightened monitoring), red (no government financing) and black (not investable). As such, the process focuses on excluding countries by either not allowing government financing (no government bond investments) or to completely exclude from the investment universe. The model is focused on the development path of each country in each key theme.

We do not finance the government in countries as classified red according to our country selection model, i.e. we do not invest in government bonds of those countries. However, in red countries we make investments through FX forwards and development finance institution (DFI) issued AAA-rated bonds. DFI issued bonds are only used to finance development projects in different countries. DFI-instruments are used to produce positive development impacts and support sustainable economic growth in target countries. Projects financed by DFIs need to comply with their ESG requirement and impact is measured and monitored. Projects range from green energy projects to microfinancing for women entrepreneurs. Emerging markets, especially frontier markets, have often underdeveloped domestic capital markets. Therefore, providing local currency financing in these markets has strong development impact itself.

To support our traffic light approach exclusion process we use our other in-house models as well: Aktia ESG-Balance analysis and SDG-Analysis.

ESG-Balance uses World Bank promoted ESG data (~70 indicators) to compare each country on a wealth-based approach, where we compare countries at the same level of GDP per capita to remove so called wealth-bias. ESG-Balance also gives a score on level and change to determine which country is trending in the right direction. SDG-Analysis uses the same income corrected philosophy as ESG-Balance but instead uses the SDG dataset provided by Bertelsmann-Stiftung to follow and analyses each country on how well they are doing in each SDG goal compared to income peers. This is a systematic way of comparing country fundamentals.

● ***What are the objectives of the sustainable Investments that the financial product partially intends to make and how does the sustainable investment contribute to***

***such objectives?***

Not applicable

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

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

Not applicable

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

Not applicable

The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

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

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



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

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

Yes,  
this Sub(Fund) is considering the following principal adverse impacts:

**Environmental PAI for Sovereigns and Supranationals**

- GHG intensity (GHG intensity of investee countries)
- Investee countries subject to social violations (Number of investee countries subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law)
- Investee countries subject to social violations (Percentage of investee countries subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law)

**Additional Environmental PAI for Sovereigns and Supranationals**

- Share of bonds not issued under Union legislation on environmentally sustainable bonds (Share of bonds not issued under Union legislation on environmentally sustainable bonds)

**Additional Social PAI for Sovereigns and Supranationals**

- Average income inequality score (The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column)
- Average freedom of expression score (Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator explained in the explanation column)
- Average human rights performance (Measure of the average human right performance of investee countries using a quantitative indicator explained in the explanation column)
- Average corruption score (Average corruption score)
- Non-cooperative tax jurisdictions (Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes)
- Average political stability score (Measure of the likelihood that the current regime will be overthrown by the use of force using a quantitative indicator explained in the explanation column)
- Average rule of law score (Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column)

Mandatory and optional PAI indicators are considered both individually as qualitative input within the investment process as well as quantitative input in Aktia's fundamental country selection model. In our fundamental model there are over 30 indicators, consisting of PAI's alongside other ESG and economic indicators. PAI's included as quantitative indicators in the model are: Political Stability and Absence of Violence (World bank data), Control of Corruption (World bank), Freedom of Political Rights (Freedom House), Free Media (Reporters Without Borders). Other PAI's are considered as qualitative input for portfolio managers. The performance in these indicators determines the classification color in Aktia's traffic light model where each country is assigned a color, black (non-investable), red (no government financing), yellow and green (fully investable). But a bad performance in a single PAI indicator alone will not lead to exclusion (red or black classification) but a wide underperformance compared to the rest of the universe can lead to exclusion.

Information on PAI is available in the annual report of the (Sub)Fund (annual reports as of 01.01.2023).

No



## What investment strategy does this financial product follow?

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

Over the long-term the sub-fund seeks to achieve the best possible return by investing at least 51% of the net asset value in Bonds and currency exposure covering risk from the

Emerging and Frontier Markets. The country selection process includes quantitative and qualitative research. The in-house data model is the first step in the country analysis framework. The fundamental data model measures the economic, political and social status of a country including the mid- and long-term development. There are more than 30 indicators measuring different parts of each main pillar. The model approach is to look at the long-term change, short term change and level of each country, focusing on development of each component for said country. We try to find countries that are having positive development in each aspect, as we believe that good governance and social welfare brings better growth prospects and possibility for continuing positive development. This analysis is then supported by our in-house ESG models: ESG-Balance and SDG-Analysis. ESG-Balance uses World Bank promoted ESG data to compare each country on a wealth-based approach, where we compare countries at the same level of GDP per capita to remove so called wealth-bias. ESG-Balance also gives a score on level and change to determine which country is trending in the right direction. SDG-Analysis uses the same income corrected philosophy as ESG-Balance but instead uses the SDG dataset provided by Bertelsmann-Stiftung to follow and analyses each country on how well they are doing in each SDG goal compared to income peers. This is a systematic way of comparing country fundamentals.

Short-term signals are investigated using high-frequency macroeconomic data, reform activity and monitoring of political environment. Data analysis is enriched with qualitative analysis. We do on-the-ground country research visits & meetings, where, for example, central banks, debt offices, ministries, IMF, and World Bank representatives are met. In-house case-by-case country analysis utilizes commentary and analysis of international institutions (e.g. IMF, World Bank, Moody's, UN, and Freedom House). We also utilize third party research provided by different entities to gain different views of our investment universe.

The conclusion of this analysis is the Aktia's traffic light approach. The traffic light approach defines investable and non-investable markets where each country is assigned a color, black (non-investable), red (no government financing), yellow and green (fully investable).

We do not finance the government in countries as classified red according to our country selection model, i.e. we do not invest in government bonds of those countries. However, in red countries we make investments through FX forwards and development finance institution (DFI) issued AAA-rated bonds (Supranational issuers). DFI issued bonds are only used to finance development projects in different countries. DFI-instruments are used to produce positive development impacts and support sustainable economic growth in target countries. Projects financed by DFIs need to comply with their ESG requirement and impact is measured and monitored. Projects range from green energy projects to microfinancing for women entrepreneurs. Emerging markets, especially frontier markets, have often underdeveloped domestic capital markets. Therefore, providing local currency financing in these markets has strong development impact itself.

In the disclosures on the asset allocation the minimum environmental or social safeguards applied to investments categorized as "Other" are explained.

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

The sustainability indicators, as described above, for measuring the attainment of each of the environmental and/or social characteristics promoted by the (Sub) Fund are the binding elements of the investment strategy of the (Sub) Fund.

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

Not applicable.

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

The fund invests only in sovereign fixed income through local currency instruments. Governance at sovereign level is analyzed using our fundamental model and through our in-house ESG-tools. The fundamental model uses 10 governance indicators such as World Bank worldwide governance indicators, freedom house data, and democracy indicators. Each indicator is then scored on level, short- and long-term change. Governance covers one third of the weight in the fundamental model. ESG-Balance uses 18 governance indicators which can be sorted to components such as gender, innovation, stability and economic environment. SDG indicators meanwhile tend to focus more on development and equality, focusing on topics such as gender equality, infrastructure and sustainable practices on a state level. For both ESG-balance and for SDG-analysis the data is measured on change and level using our income-based approach.

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



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

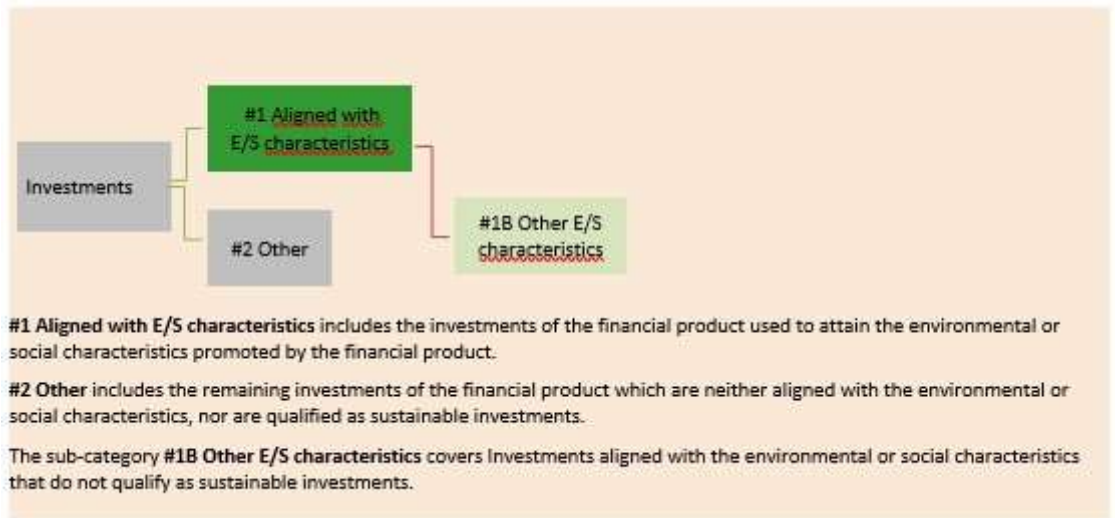
### Asset allocation

describes the share of investments in specific assets.

Taxonomy-aligned activities are 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 investee companies, e.g. for a transition to a green economy.
- **operational expenditures** (OpEx) reflecting the green operational activities of investee companies.

The asset allocation of the (Sub)Fund and the extent to which the (Sub)Fund has direct or indirect exposures in investee entities can be found in the investment restrictions of the Prospectus. The minimum proportion of the (sub-)fund's investments made to meet the advertised environmental and/or social characteristics is 51% of the value of the (sub-)fund's assets.



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

Derivatives are used in accordance with the requirements of the investment principles of the Prospectus.. Insofar as derivatives may be acquired, these do not explicitly serve to achieve the environmental and/or social characteristics of the (Sub)Fund and are recorded under "other investments". When selecting derivatives, compliance with a minimum level of environmental and/or social safeguards is ensured. Therefore, derivatives with a non-sustainable underlying may not represent a significant component of the portfolio.



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

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

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.

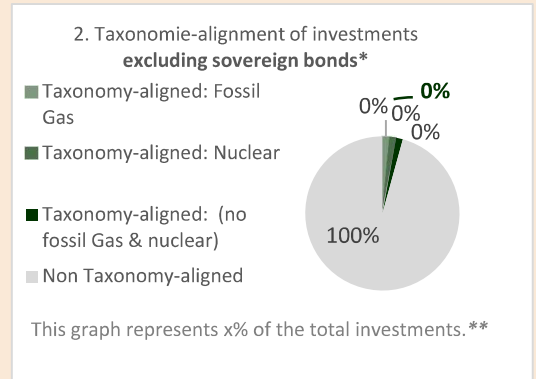
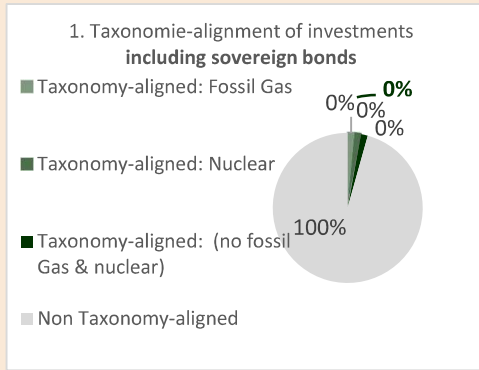
**Enabling activities** directly enable other activities to make substantial contribution to an environmental objective.

**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.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>9</sup>?**

- Yes:  In fossil gas  In nuclear energy
- No

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



\* For the purpose of these graphs, „sovereign bonds“ consist of all sovereign exposures.

● **What is the minimum share of Investments in transitional and enabling activities?**

A minimum share of investments in transitional and enabling activities has not been set.



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

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



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

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

<sup>9</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

\*\* As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.





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

The fund can use currency hedging instruments, but investments in debt securities issued in emerging markets local currency and in currency instruments will not generally be hedged.

We manage our funds EUR/USD exposure using USD cash and forwards. Currency hedging (EURUSD) will be made through the use of currency forward contracts. These hedging instruments are outside the scope of our country selection process as they are only used to hedge the portfolio. The fund cash exposure is also excluded from the country selection process.

For other investments that do not fall under the sustainability strategy of the (sub)fund, it is ensured that these are not used contrary to the sustainability strategy. Insofar as derivatives may be acquired, it is ensured that the underlying is compliant with the sustainability strategy. If an index is used as the underlying, it is ensured that the index has sustainability characteristics. Due to the financial instruments available on the market, there may be deviations in the sustainability characteristics of the underlying index from the (sub-)fund characteristics. All derivatives whose underlying could be classified as not in line with the sustainability strategy, as well as currency holdings that do not match the (sub-)fund or one of the Big-5-currencies (EUR, USD, GBP, CHF, JPY), currencies, may not be included as a significant component in the (sub-)fund. The use of derivatives to offset negative market fluctuations is not included. In addition, investments may be specifically excluded from the sustainability strategy that are not subject to an explicit review of minimum environmental and/or social protection.



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

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

not applicable

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

Not applicable

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

not applicable

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

not applicable

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



not applicable

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



**More product-specific information can be found on the website:**

<https://fondsfinder.universal-investment.com/api/v1/LU/LU1669793827/document/SRD/en>

### APPENDIX UI – Aktia EM Local Currency Bond+

In addition to the provisions of the General Part of the Prospectus the following Sub-Funds specific provisions apply. This appendix is only valid in connection with the General Part of the Prospectus.

<b>Sub-Fund name</b>	<b>UI – Aktia EM Local Currency Bond+</b>
<b>Sub-Fund currency</b>	EUR
<b>Investment objective</b>	<p>Over the long-term the fund seeks to achieve the best possible return and to outperform the benchmark of the Sub-Fund.</p> <p>The benchmark index used for the Sub-Fund is 100% JPM GBI-EM Global Diversified TR (EUR). The Benchmark Index is determined by the Company for the Sub-Fund and may be changed if necessary. However, the Sub-Fund does not aim to replicate the Benchmark Index. The Portfolio Manager may, at its discretion, invest in securities or sectors not included in the Benchmark Index in order to take advantage of specific investment opportunities. The investment strategy limits the extent to which the portfolio holdings may deviate from the Benchmark Index. This deviation may be material.</p>
<b>Investment strategy</b>	<p>The focus is on absolute return (benchmark-aware, not driven), inflation expectations and real yields. The strategy targets higher risk adjusted total returns with lower FX volatility through diversification and off-benchmark exposures.</p> <p>The sub-fund will typically have a duration of +/- 5 years compared with the Benchmark. The sub-fund can use derivatives as part of the risk management and to generate additional return.</p> <p>The Sub-Fund is an Emerging Market Debt fund that invests globally and mainly in emerging market fixed income and interest-bearing securities issued in emerging markets local currency by emerging markets sovereigns, supranationals and/or multilaterals. Derivative instruments may also be used for investment purposes to take currency risk.</p> <p>The Sub-Fund is actively managed.</p> <p>This Sub-Fund promotes environmental and social features within the meaning of Article 8 of the Disclosure Regulation. However, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities, nor are sustainable investments within the meaning of Article 2 No. 17 of the Disclosure Regulation sought.</p> <p>The principal adverse impacts on sustainability factors ("PAI") are considered in the investment process at the level of the Management Company. A consideration of PAI at the level of the Sub-Fund is binding and is carried out in this respect. Information on PAI is available in the annual report of the respective Sub-Fund (Annual reports published as of 01.01.2023).</p> <p><b>Information on the environmental and/or social characteristics is available in the Annex „Pre-contractual disclosure Article 8 Disclosure Regulation “.</b></p>
<b>Investment restrictions</b>	<p>At least 51% of the net asset value will be invested in Bonds and currency exposure covering risk from the Emerging Markets.</p> <p>FX Forwards and Non-Deliverable Forwards could be used for investment and hedging purposes. Other Financial Derivative Instruments (FDI) will not be used.</p> <p>Furthermore, the Sub-Fund may hold up to 20% bank deposits at sight. The above mentioned 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors.</p> <p>In addition, the Sub-Fund may also invest in money market instruments such as longer-term time deposits in general for financial purposes or in the event of unfavorable market conditions. These are limited to a maximum of 49% including bank deposits at sight.</p> <p>Note: Among possible techniques for efficient portfolio management, the Sub-Fund currently only uses derivative transactions, which can be entered into in any form. Securities financing transactions and total return swaps in accordance with Regulation (EU) 2015/2365 of the</p>

	<p>European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and re-use and amending Regulation (EU) No 648/2012 are not currently used for the Sub-Fund. If the Management Company intends to use other techniques for efficient portfolio management or securities financing transactions for the Sub-Fund, this Prospectus shall be amended accordingly.</p> <p>Direct investments in Asset Backed Securities (ABS) and Mortgage Backed Securities (MBS) will not be undertaken.</p>
<b>Other regulated markets</b>	<p>The Sub-Fund can invest in transferable securities and money market instruments dealt in on another regulated market (the "Regulated Market") in an Eligible State, which operates regularly and is recognised and open to the public.</p> <p>The investment universe includes more than 90 EM and Frontier sovereign markets to the extent and as long as the requirements of Article 41 I c) of the Law of 2010 are satisfied:</p> <p>Ghana Stock Exchange  Uganda Securities Exchange  Lusaka Stock Exchange  Namibian Stock Exchange  Santo Domingo Stock Exchange  Bolsa de Valores de Montevideo</p>
<b>Benchmark</b>	JP Morgan Government Bond Index- Emerging Markets Diversified, GBI-EM Diversified
<b>Share Classes Currency hedging</b>	none
<b>Investor Profile</b>	This Sub-Fund is suitable for the Investor who is prepared to take the higher risks associated with investments in the Emerging Markets in order to maximize the return. Thus, the Investor should have experience with volatile products and should be able to accept significant temporary losses.
<b>Management Company</b>	Universal-Investment-Luxembourg S.A.
<b>Depository</b>	State Street Bank International GmbH Luxembourg Branch
<b>Registrar and Transfer Agent</b>	State Street Bank International GmbH Luxembourg Branch
<b>Paying Agent in Luxembourg</b>	State Street Bank International GmbH Luxembourg Branch
<b>Portfolio Manager</b>	Aktia Bank Plc
<b>Collateral Manager</b>	Universal-Investment-Gesellschaft mbH
<b>Distributor</b>	Aktia Bank Plc
<b>Valuation day</b>	Every full banking day, which is simultaneously a stock exchange day in Luxembourg, London and Frankfurt am Main (with the exception of 24 and 31 December of every year)
<b>Cut-off time for subscriptions, redemptions and conversion of Shares</b>	4 p.m. (Luxembourg time) on the relevant Business Day (Dealing Date)

<b>Payment of the issue prices</b>	within three (3) Business Days after the Valuation Day
<b>Payment of the redemption prices</b>	within three (3) Business Days after the Valuation Day
<b>Financial Year</b>	1 October to 30 September
<b>1<sup>st</sup> Financial Year</b>	From launch to 30 September 2018 First annual report to 30 September 2018 First semi-annual report to 31 March 2018
<b>Sub-Fund term</b>	Unlimited
<b>Subscription Price</b>	The "Subscription Price" means during the Initial Offering Period, the Initial Offering Price, and after the Initial Offering Period, the Net Asset Value per Share of the relevant Share Class calculated on the concurrent Valuation Day in accordance with the Articles and the Prospectus.
<b>Redemption Price</b>	Subject to the Articles, the "Redemption Price" will be denominated in the applicable Reference Currency and will be equal to the Net Asset Value per Share of the relevant Share Class at the relevant Valuation Day, after adjustment for any accrual of Management Fees due (if not already included in the Net Asset Value) as well as any other redemption fee.
<b>Anti-dilution measures</b>	None
<b>Exchange commission</b>	Where different share classes are offered within the Sub-Fund, an exchange of Shares from one share class for Shares in another share class within the Sub-Fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged.
<b>Management Company Fee and Administration Fee</b>	Up to 1.65 % p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 50,000 EUR p.a. plus a fixed Management Company Fee of up to 25,000 EUR p.a. The Management Company can accept a lower fee or waive the fee.
<b>Depository Fee</b>	Up to 0.03% p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 30,000. - EUR p.a., plus safekeeping fee and transaction fee. In addition, the Depository/Custodian will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Custodian may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made.
<b>Transfer Agency Fee</b>	1,500 EUR per ISIN code p.a. plus transaction and reporting fees. The Transfer Agency will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Transfer Agency may vary depending on the nature of the investor and the countries which the investors are located.
<b>Distribution Fee</b>	Included in the above referred to Management Company and Administration Fee
<b>Advisory Fee</b>	Included in the above referred to Management Company and Administration Fee
<b>Research costs</b>	Up to 0,10 % of the average net asset value in the relevant fiscal year

<b>FATCA classification</b>	<p>According to the current national Luxembourg FATCA legislation, the Sub-Fund is qualified as a "Restricted Fund" in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, shares in the Sub-Fund must not be offered, sold, transferred or delivered to:</p> <ul style="list-style-type: none"> <li>• Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,</li> <li>• Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and</li> </ul> <p>Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.</p>
<b>CRS classification</b>	Luxembourg Financial Institution (Investment Entity)
<b>Distribution countries</b>	Luxembourg, Germany, Sweden; Austria, France, Netherland, Ireland
<b>Risk management-Procedure</b>	Commitment Approach
<b>Disclosure Regulation Classification</b>	The Sub-Fund is classified as an article 8 Sub-Fund under the Disclosure Regulation

Share classes	R	IX	IX	ID
<b>Currency</b>	EUR	EUR	SEK	EUR
<b>Hedging</b>	No	No	No	No
<b>ISIN Code (ISIN)</b>	LU1669794395	LU1669794551	LU1783956961	LU181468 1067
<b>Securities identification number (WKN)</b>	A2DWD2	A2DWD4	A2JENS	A2JKQY
<b>Initial Issue Price (excluding Subscription Fee)</b>	EUR 100	EUR 100	SEK 100	EUR 100
<b>Initial minimum investment<sup>10</sup></b>	EUR 100	EUR 100,000,000	SEK 1,000,000,000	EUR 500,000
<b>Subsequent investment*</b>	None	None	None	EUR 500
<b>Subscription fee currently applicable<sup>11</sup></b>	Up to 3 %	0 %	0 %	Up to 3%

<sup>10</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

<sup>11</sup> In individual cases the Board or the Distributor can determine a different agreement regarding the subscription fee

<b>Redemption fee currently applicable</b>	None	None	None	None
<b>Appropriation of earnings</b>	Distributing	Accumulating	Accumulating	Distributing
<b>Launch date/ activation date in Luxembourg</b>	07.03.2023	05.03.2018	05.03.2018	07.05.2018
<b>Portfolio Manager Fee</b>	Max. percentage p.a. of the net asset value of the Sub-Fund; Included in the above referred to Management Company and Administration Fee			
	1.35%	0.65%	0.65%	0.90%
<b>Performance Fee</b>	None			
<b>Taxe d'abonnement</b>	0.05% p.a.	0.01% p.a.	0.01% p.a.	0.05% p.a.

<b>Share classes</b>	<b>IX</b>	<b>IMX</b>	<b>R (clean)</b>	<b>IMX</b>	<b>IX</b>
<b>Currency</b>	NOK	EUR	EUR	GBP	GBP
<b>ISIN Code (ISIN)</b>	LU2445918928	LU2619489078	LU2619489235	LU2619488930	LU2619489151
<b>Securities identification number (WKN)</b>	A3DESS	A3EE64	A3EE67	A3EE65	A3EE66
<b>Initial Issue Price (excluding Subscription Fee)</b>	NOK 100	EUR 100	EUR 100	GBP 100	GBP 100
<b>Initial minimum investment<sup>12</sup></b>	NOK 1 Bn	EUR 10,000,000	None	GBP 10,000,000	GBP 100,000,000
<b>Subsequent investment*</b>	None	None	None	None	None
<b>Subscription fee currently applicable<sup>13</sup></b>	Up to 3 %	Up to 3%	Up to 3%	Up to 3%	Up to 3%
<b>Redemption fee currently applicable</b>	None	None	None	None	None
<b>Appropriation of earnings</b>	Accumulating	Accumulating	Accumulating	Accumulating	Accumulating
<b>Launch date/ activation date in Luxembourg</b>	15 March 2022	TBD		TBD	TBD

<sup>12</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

<sup>13</sup> In individual cases the Board or the Distributor can determine a different agreement regarding the subscription fee

<b>Portfolio Manager Fee</b>	Max. percentage p.a. of the net asset value of the Sub-Fund; Included in the above referred to Management Company and Administration Fee				
	Max. 0.65 %	Up to 0.70%	Up tp 0.70%	Up tp 0.70%	Up tp 0.65%
<b>Performance Fee</b>	none				
<b>Taxe d'abonnement</b>	0.01% p.a.	0.01% p.a.	0.05%	0.01% p.a.	0.01% p.a.

<b>Share classes</b>	<b>IX USD</b>	<b>I</b>	<b>R USD</b>	<b>R ACC</b>
<b>Currency</b>	USD	USD	USD	EUR
<b>ISIN Code (ISIN)</b>	TBD	LU2134367247	TBA	TBA
<b>Securities identification number (WKN)</b>	TBD	A2P1JF	TBA	TBA
<b>Initial Issue Price (excluding Subscription Fee)</b>	USD 100	USD 100.-	USD 100.-	EUR 100.-
<b>Initial minimum investment<sup>14</sup></b>	USD 50,000,000. - -	USD 500,000. -	USD 100.-	EUR 100.-
<b>Subsequent investment*</b>	None	None	None	None
<b>Subscription fee currently applicable<sup>15</sup></b>	Up to 3.00 %	Up to 3.00 %	Up to 3.00 %	Up to 3.00 %
<b>Redemption fee currently applicable</b>	None	None	None	None
<b>Appropriation of earnings</b>	Accumulating	Accumulating	Accumulating	Accumulating
<b>Launch date/ activation date in Luxembourg</b>	TBA	TBA	TBA	TBA
<b>Portfolio Manager Fee</b>	up to 0.31 %	up to 0.90 %	up to 1.35 %	up to 1.35 %
<b>Performance Fee</b>	None	None	None	None
<b>Taxe d'abonnement</b>	0.01%	0.01%	0.05%	0.05%
<b>Sales restrictions</b>	share class is reserved for institutional investors	share class is reserved for institutional investors	Available to retail and institutional investors.	Available to retail and institutional investors.

<sup>14</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

<sup>15</sup> In individual cases the Board or the Distributor can determine a different agreement regarding the subscription fee

	<p>according to Luxembourg law, and it may exclusively be subscribed to by such persons. The Management Company reserves the right to demand from investors that wish to invest in, or have investments in this unit class that they provide evidence that they are institutional investors.</p>	<p>according to Luxembourg law, and it may exclusively be subscribed to by such persons. The Management Company reserves the right to demand from investors that wish to invest in, or have investments in this unit class that they provide evidence that they are institutional investors.</p>		
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**INCLUSION OF SUSTAINABILITY RISKS IN THE INVESTMENT PROCESS**

As part of its investment process, the Sub-Fund includes all relevant financial risks in its investment decision-making process and evaluates them on an ongoing basis. In doing so, all relevant sustainability risks within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector ("Disclosure Regulation"), which could have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and/ or the liquidity of the investment and thus on the return of the Sub-Fund. Sustainability risks can have a significant impact on all known risk types and, as a factor, can contribute to the materiality of these risk types.

As part of the selection of assets for the investment Sub-Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the investment Sub-Fund may be realized.

For more information on how sustainability risks are incorporated into the investment process and on the possible extent of the impact of sustainability risks on returns, please refer to the Universal-Investment website.

This Sub-Fund promotes environmental and/or social features within the meaning of Article 8 of the Disclosure Regulation. However, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities, nor are sustainable investments within the meaning of Article 2 No. 17 of the Disclosure Regulation sought.

The Sub-Fund is managed in relation to the benchmark index JP Morgan Government Bond Index-Emerging Markets Diversified, GBI-EM Diversified. This benchmark index is not considered to be consistent with any specific ESG characteristics. The aim of the Sub-Fund is not to track the benchmark index and no investment decisions are taken relative to the benchmark. The composition of the Sub-



Fund and its performance may vary substantially to fully and in the long term - positively or negatively - from the benchmark index.

## **SHARE CLASSES**

Share Classes I EUR and R EUR are available to retail investors. Share Classes IX EUR, IX SEK, IMX GBP, and IX GBP are only available to institutional investors. Share Class ID EUR is available to both retail and institutional investors. The purchase of Share Class R (clean) is reserved exclusively for market participants (e.g. banks, asset managers, fee-based advisors) who, due to legal or regulatory requirements or special remuneration agreements with end investors / institutional investors (e.g. wealth management contracts), are not allowed to accept and / or collect ongoing sales commissions. The management company and the custodian of the sub-fund reserve the right to request corresponding confirmations / evidence from the respective counterparty of the share class transaction when units of this share class are requested.

## **PORTFOLIO MANAGER**

The Portfolio Manager Aktia Bank Plc, Arkadiankatu 4-6FI-00101 Helsinki manages the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objective and policies of the Sub-Fund as described in this Appendix, and is responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by it at its discretion.

## **COLLATERAL MANAGER**

The collateral management for transactions with derivatives of the Sub-Fund is outsourced to Universal-Investment-Gesellschaft mbH, Theodor-Heuss-Allee 70, 60486 Frankfurt am Main (the „Collateral Manager“). The Collateral Manager will initiate the exchange of collateral in order to mitigate the risks of transactions with OTC derivatives (“Collateral Management”). Collateral may be provided in for of cash or securities to be exchanged between the acting counterparties.

## **FEES AND EXPENSES**

### **Management Company and Administration Fee charged to Sub-Fund assets**

The Management Company and Administration Fee shall be calculated on each valuation day and paid out on a quarterly basis, based on the average net asset value of the relevant quarter.

The Management Company can accept a lower fee or waive the fee.

### **Depositary and Paying Agency Fee, Registrar and Transfer Agency Fee charged to Sub-Fund assets**

The remuneration is payable monthly on a pro rata basis. Transaction costs will be charged separately.

### **Portfolio Manager Fee**

The remuneration of the Portfolio Manager shall be calculated on each valuation day and paid to the Portfolio Manager quarterly, based on the average net asset value of the relevant month. The Portfolio Manager can accept a lower fee or waive the fee.

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

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

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

<b>Product name:</b> UI - Aktia EM Local Currency Bond+	<b>Legal entity identifier (Lei-Code):</b> 529900OSW3MHGCB3M082
<b>Environmental and/or social characteristics</b>	
<b>Does this financial product have a sustainable investment objective?</b>	
●● <input type="checkbox"/> <b>Yes</b>	●● <input checked="" type="checkbox"/> <b>No</b>
<p>It will make a minimum of <b>sustainable investments with an environmental objective: ___%</b></p> <p>in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p>in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p>It will make a minimum of <b>sustainable investments with a social objective: _____%</b></p>	<p>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</p> <p>with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p>with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p>with a social objective</p> <p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments.</b></p>



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

This (Sub)Fund promotes environmental and social characteristics within the meaning of Article 8 of the Disclosure Regulation.

In the fund's investment process each country is analyzed and ranked on a wide variety of factors. The most prominent factors are governance and social aspects of each country. Environmental factors are also taken into consideration, but the weighting is smaller compared to governance and social factors. The approach focuses on categorizing each country into one of four colors, green (fully investable), yellow (fully investable, with heightened monitoring), red (no government financing) and black (not investable). As such, the process focuses on excluding countries by either not allowing government financing (no government bond investments) or to completely exclude from

the investment universe.

Our holistic approach looks at governance from a wide array of views, from governance structure, governance effectiveness, corruption, democracy, and human rights indicators. Social aspects are measured in social welfare, education, infrastructure, health and equality. Environmental analysis is focused on each country's vulnerability to climate change, emissions and green transition.

We do not finance the government in countries as classified red according to our country selection model, i.e. we do not invest in government bonds of those countries. However, in red countries we make investments through FX forwards and development finance institution (DFI) issued AAA-rated bonds. DFI issued bonds are only used to finance development projects in different countries. DFI-instruments are used to produce positive development impacts and support sustainable economic growth in target countries. Projects financed by DFIs need to comply with their ESG requirement and impact is measured and monitored. Projects range from green energy projects to microfinancing for women entrepreneurs. Emerging markets, especially frontier markets, have often underdeveloped domestic capital markets. Therefore, providing local currency financing in these markets has strong development impact itself.

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

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

The fund does not strictly exclude any country based on a single factor. Based on our in-house fundamental data model and in-house ESG tools we designate countries into one of four color groups: green (fully investable), yellow (fully investable, with heightened monitoring), red (no government financing) and black (not investable). As such, the process focuses on excluding countries by either not allowing government financing (no government bond investments) or to completely exclude from the investment universe. The model is focused on the development path of each country in each key theme.

We do not finance the government in countries as classified red according to our country selection model, i.e. we do not invest in government bonds of those countries. However, in red countries we make investments through FX forwards and development finance institution (DFI) issued AAA-rated bonds. DFI issued bonds are only used to finance development projects in different countries. DFI-instruments are used to produce positive development impacts and support sustainable economic growth in target countries. Projects financed by DFIs need to comply with their ESG requirement and impact is measured and monitored. Projects range from green energy projects to microfinancing for women entrepreneurs. Emerging markets, especially frontier markets, have often underdeveloped domestic capital markets. Therefore, providing local currency financing in these markets has strong development impact itself.

To support our traffic light approach exclusion process we use our other in-house models as well: Aktia ESG-Balance analysis and SDG-Analysis.

ESG-Balance uses World Bank promoted ESG data (~70 indicators) to compare each country on a wealth-based approach, where we compare countries at the same level of GDP per capita to remove so called wealth-bias. ESG-Balance also gives a score on level and change to determine which country is trending in the right direction. SDG-Analysis uses the same income corrected philosophy as ESG-Balance but instead uses the SDG dataset provided by Bertelsmann-Stiftung to follow and analyses each country on how well they are doing in each SDG goal compared to income peers. This is a systematic way of comparing country fundamentals.

● ***What are the objectives of the sustainable Investments that the financial product***

***partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable

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

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

Not applicable

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

*Details:*

Not applicable

The EU Taxonomy sets out a “do not significant harm „principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

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

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



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

Yes,

this Sub(Fund) is considering the following principal adverse impacts:

**Environmental PAI for Sovereigns and Supranationals**

- GHG intensity (GHG intensity of investee countries)
- Investee countries subject to social violations (Number of investee countries subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law)
- Investee countries subject to social violations (Percentage of investee countries subject to social violations as referred to in international treaties and conventions, United Nations principles and, where applicable, national law)

**Additional Environmental PAI for Sovereigns and Supranationals**

- Share of bonds not issued under Union legislation on environmentally sustainable bonds (Share of bonds not issued under Union legislation on environmentally sustainable bonds)

**Additional Social PAI for Sovereigns and Supranationals**

- Average income inequality score (The distribution of income and economic inequality among the participants in a particular economy including a quantitative indicator explained in the explanation column)

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

- Average freedom of expression score (Measuring the extent to which political and civil society organisations can operate freely including a quantitative indicator explained in the explanation column)
- Average human rights performance (Measure of the average human right performance of investee countries using a quantitative indicator explained in the explanation column)
- Average corruption score (Average corruption score)
- Non-cooperative tax jurisdictions (Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes)
- Average political stability score (Measure of the likelihood that the current regime will be overthrown by the use of force using a quantitative indicator explained in the explanation column)
- Average rule of law score (Measure of the level of corruption, lack of fundamental rights, and the deficiencies in civil and criminal justice using a quantitative indicator explained in the explanation column)

Mandatory and optional PAI indicators are considered both individually as qualitative input within the investment process as well as quantitative input in Aktia's fundamental country selection model. In our fundamental model there are over 30 indicators, consisting of PAI's alongside other ESG and economic indicators. PAI's included as quantitative indicators in the model are: Political Stability and Absence of Violence (World bank data), Control of Corruption (World bank), Freedom of Political Rights (Freedom House), Free Media (Reporters Without Borders). Other PAI's are considered as qualitative input for portfolio managers. The performance in these indicators determines the classification color in Aktia's traffic light model where each country is assigned a color, black (non-investable), red (no government financing), yellow and green (fully investable). But a bad performance in a single PAI indicator alone will not lead to exclusion (red or black classification) but a wide underperformance compared to the rest of the universe can lead to exclusion.

Information on PAI is available in the annual report of the (Sub)Fund (annual reports as of 01.01.2023).

No



### What investment strategy does this financial product follow?

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

Over the long-term the sub-fund seeks to achieve the best possible return and to outperform the benchmark of the sub-fund. At least 51% of the net asset value will be invested in Bonds and currency exposure covering risk from the Emerging Markets. The country selection process includes quantitative and qualitative research. The in-house data model is the first step in the country analysis framework. The fundamental data model measures the economic, political and social status of a country including the mid- and long-term development. There are more than 30 indicators measuring different parts of each main pillar. The model approach is to look at the long-term change, short term change and level of each country, focusing on development of each component for said country. We try to find countries that are having positive development in each aspect, as we believe that good governance and social welfare brings better growth prospects and possibility for continuing positive development. This analysis is then supported by our in-house ESG models: ESG-Balance and SDG-Analysis. ESG-Balance uses World Bank promoted ESG data to compare each country on a wealth-based approach, where we compare countries at the same level of GDP per capita to remove so called wealth-bias. ESG-Balance also gives a score on level and change to determine which country is trending in the right direction. SDG-Analysis uses the same income corrected philosophy as ESG-Balance but instead uses the SDG dataset provided by Bertelsmann-Stiftung to follow

and analyses each country on how well they are doing in each SDG goal compared to income peers. This is a systematic way of comparing country fundamentals.

Short-term signals are investigated using high-frequency macroeconomic data, reform activity and monitoring of political environment. Data analysis is enriched with qualitative analysis. We do on-the-ground country research visits & meetings, where, for example, central banks, debt offices, ministries, IMF, and World Bank representatives are met. In-house case-by-case country analysis utilizes commentary and analysis of international institutions (e.g. IMF, World Bank, Moody's, UN, and Freedom House). We also utilize third party research provided by different entities to gain different views of our investment universe.

The conclusion of this analysis is the Aktia's traffic light approach. The traffic light approach defines investable and non-investable markets where each country is assigned a color, black (non-investable), red (no government financing), yellow and green (fully investable).

We do not finance the government in countries as classified red according to our country selection model, i.e. we do not invest in government bonds of those countries. However, in red countries we make investments through FX forwards and development finance institution (DFI) issued AAA-rated bonds (Supranational issuers). DFI issued bonds are only used to finance development projects in different countries. DFI-instruments are used to produce positive development impacts and support sustainable economic growth in target countries. Projects financed by DFIs need to comply with their ESG requirement and impact is measured and monitored. Projects range from green energy projects to microfinancing for women entrepreneurs. Emerging markets, especially frontier markets, have often underdeveloped domestic capital markets. Therefore, providing local currency financing in these markets has strong development impact itself.

In the disclosures on the asset allocation the minimum environmental or social safeguards applied to investments categorized as "Other" are explained.

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

The sustainability indicators, as described above, for measuring the attainment of each of the environmental and/or social characteristics promoted by the (Sub) Fund are the binding elements of the investment strategy of the (Sub) Fund.

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

Not applicable.

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

The fund invests only in sovereign fixed income through local currency instruments. Governance at sovereign level is analyzed using our fundamental model and through our in-house ESG-tools. The fundamental model uses 10 governance indicators such as World Bank worldwide governance indicators, freedom house data, and democracy indicators. Each indicator is then scored on level, short- and long-term change. Governance covers one third of the weight in the fundamental model. ESG-Balance uses 18 governance indicators which can be sorted to components such as gender, innovation, stability and economic environment. SDG indicators meanwhile tend to focus more on development and equality, focusing on topics such as gender equality, infrastructure and sustainable practices on a state level. For both ESG-balance and for SDG-analysis the data is measured on change and level using our income-based approach.

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





### Asset allocation

describes the share of investments in specific assets.

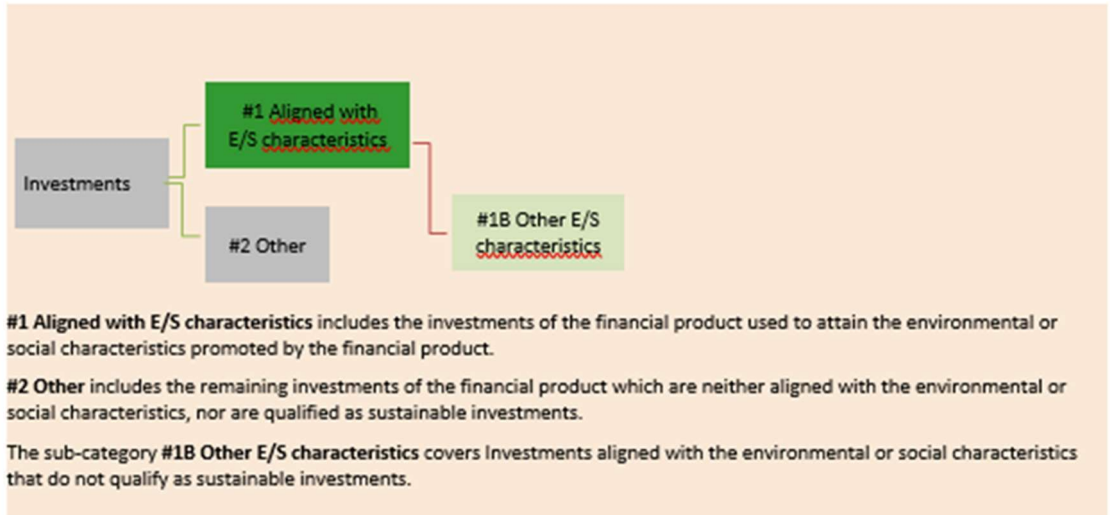
Taxonomy-aligned activities are expressed as a share of:

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

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

The asset allocation of the (Sub)Fund and the extent to which the (Sub)Fund has direct or indirect exposures in investee entities can be found in the investment restrictions of the Prospectus.

The minimum proportion of the (sub-)fund's investments made to meet the advertised environmental and/or social characteristics is 51% of the value of the (sub-)fund's assets



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

Derivatives are used in accordance with the requirements of the investment principles of the Prospectus. Insofar as derivatives may be acquired, these do not explicitly serve to achieve the environmental and/or social characteristics of the (Sub)Fund and are recorded under "other investments". When selecting derivatives, compliance with a minimum level of environmental and/or social safeguards is ensured. Therefore, derivatives with a non-sustainable underlying may not represent a significant component of the portfolio.



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

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



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.

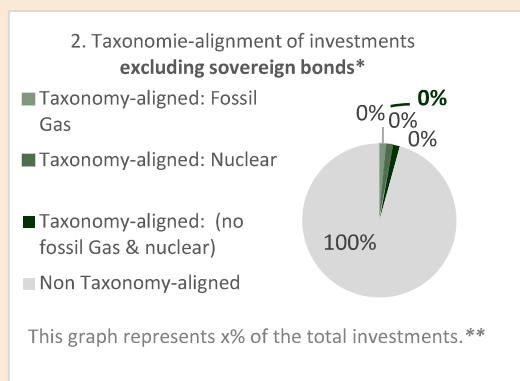
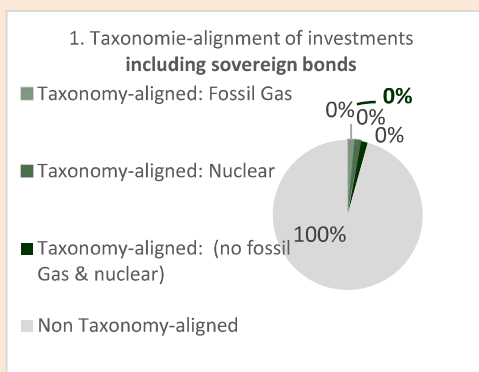
**Enabling activities** directly enable other activities to make substantial contribution to an environmental objective.

**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.

● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>16</sup>?**

- Yes:  In fossil gas  In nuclear energy
- No

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



\* For the purpose of these graphs, „sovereign bonds“ consist of all sovereign exposures.

<sup>16</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

\*\* As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

● **What is the minimum share of Investments in transitional and enabling activities?**

A minimum share of investments in transitional and enabling activities has not been set.



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

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



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

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



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

The fund can use currency hedging instruments, but investments in debt securities issued in emerging markets local currency and in currency instruments will not generally be hedged.

We manage our funds EUR/USD exposure using USD cash and forwards. Currency hedging (EURUSD) will be made through the use of currency forward contracts. These hedging instruments are outside the scope of our country selection process as they are only used to hedge the portfolio. The fund cash exposure is also excluded from the country selection process.

For other investments that do not fall under the sustainability strategy of the (sub)fund, it is ensured that these are not used contrary to the sustainability strategy. Insofar as derivatives may be acquired, it is ensured that the underlying is compliant with the sustainability strategy. If an index is used as the underlying, it is ensured that the index has sustainability characteristics. Due to the financial instruments available on the market, there may be deviations in the sustainability characteristics of the underlying index from the (sub-)fund characteristics. All derivatives whose underlying could be classified as not in line with the sustainability strategy, as well as currency holdings that do not match the (sub-)fund or one of the Big-5-currencies (EUR, USD, GBP, CHF, JPY), currencies, may not be included as a significant component in the (sub-)fund. The use of derivatives to offset negative market fluctuations is not included. In addition, investments may be specifically excluded from the sustainability strategy that are not subject to an explicit review of minimum environmental and/or social protection.



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

**Reference benchmarks** are indexes to measure whether the financial product attains the

not applicable

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

Not applicable

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

not applicable

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

not applicable

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

not applicable

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



**More product-specific information can be found on the website:**

<https://fondsfinder.universal-investment.com/api/v1/LU/LU1669794551/document/SRD/en>

### APPENDIX UI – Four Seasons Alpha Max Japan Fund

In addition to the provisions of the General Part of the Prospectus the following Sub-Funds specific provisions apply. This appendix is only valid in connection with the General Part of the Prospectus.

<b>Sub-Fund name</b>	<b>UI – Four Seasons Alpha Max Japan Fund</b>
<b>Sub-Fund currency</b>	JPY
<b>Investment objective</b>	<p>The Sub-Fund aims to preserve the Shareholder's capital and to provide a long term positive absolute rate of return on the investment as well as outperformance over relevant benchmark. The Sub-Fund invests its assets according to its investment strategy.</p> <p>The benchmark index used for the Sub-Fund is 100% TOPIX (Tokyo Stock Price Index). The Benchmark Index is determined by the Company for the Sub-Fund and may be changed if necessary. However, the Sub-Fund does not aim to replicate the Benchmark Index. The Portfolio Manager may, at its discretion, invest in securities or sectors not included in the Benchmark Index in order to take advantage of specific investment opportunities. The investment strategy limits the extent to which the portfolio holdings may deviate from the Benchmark Index. This deviation may be material.</p>
<b>Investment strategy</b>	<p>Change is the only constant within Financial Markets. The sub-fund seeks to capture change as its main source of Alpha, focusing particularly on the less crowded areas of the market where downside can be reduced. Candidate stocks are identified initially through technical screening, where undervalued and underperforming stocks are initially selected as a stock universe for the sub-fund. Whilst the valuation will be low, the manager will only seek to buy stocks where there is a catalyst for change. Detailed qualitative research focuses upon a company's financial statements, business franchise as well as management quality through direct contact with the company's management team. The manager seeks to diversify the portfolio by varying investment horizons according to the expected timing of catalyst realization.</p> <p>The Sub-Fund is actively managed.</p> <p>This Sub-Fund is not classified as a product promoting environmental or social characteristics within the meaning of the Disclosure Regulation (Article 8), nor as a product with sustainable investment as its objective (Article 9).</p> <p>The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p>The principal adverse impacts on sustainability factors ("PAI") are considered in the investment process at the level of the Management Company. A consideration of PAI at the level of the Sub-Fund is not binding and is not carried out in this respect. Information on PAI is available in the annual report of the respective Sub-Fund (Annual reports published as of 01.01.2023).</p>
<b>Investment restrictions</b>	<p>At least 51% of the Sub-Fund have to be invested in Japanese equities.</p> <p>No more than 5% of net fund assets may be invested in closed ended real estate investment trusts (REITs) qualifying as eligible securities.</p> <p>FX Forwards, FX Futures and Equity Index Futures could only be used for hedging purposes. Other Financial Derivative Instruments (FDI) will not be used.</p> <p>The Sub-Fund may not invest more than 10% of its net assets in shares or units of other collective investment schemes especially not in UCITS or UCI as mentioned in Article 41 (1) e) of the UCI law.</p> <p>Furthermore, the Sub-Fund may hold up to 20% bank deposits at sight. The above mentioned 20% limit shall only be temporarily breached for a period of</p>

	<p>time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors.</p> <p>In addition, the Sub-Fund may also invest in money market instruments such as longer-term time deposits in general for financial purposes or in the event of unfavorable market conditions. These are limited to a maximum of 49% including bank deposits at sight.</p> <p>Note: Among possible techniques for efficient portfolio management, the Sub-Fund currently only uses derivative transactions, which can be entered into in any form. Securities financing transactions and total return swaps in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and re-use and amending Regulation (EU) No 648/2012 are not currently used for the Sub-Fund. If the Management Company intends to use other techniques for efficient portfolio management or securities financing transactions for the Sub-Fund, this Prospectus shall be amended accordingly.</p> <p>Investments in Asset Backed Securities (ABS) and Mortgage Backed Securities (MBS) will not be transacted.</p> <p>Additionally for tax purposes:</p> <p>The fund/sub-fund continuously invests more than 50% of its “total assets” (Aktivvermögen) directly or indirectly via other investment funds within the meaning of section 1(2) of the German Investment Tax Act (GITA) in equity participations (Equity fund – equity participation ratio). Equity participations (Kapitalbeteiligungen) in this meaning are:</p> <ul style="list-style-type: none"> <li>- Units in corporations which are admitted to official trading on a stock exchange or admitted to or included in another organised market and which are not shares in investment funds. For these purposes, an organised market is a market which is recognised, open to the public and operating regularly and which therefore meets the requirements of Article 50 of the UCITS Directive (Directive 2009/65/EC).;</li> <li>- Units in other investment funds which according to their investment conditions provide for a continuous minimum investment of 25% or a higher percentage in equity participations within the meaning of section 2(8) of the InvStG, in the amount of the percentage specified for this minimum investment.</li> </ul> <p>The “total assets” (Aktivvermögen) as defined in section 2(9a) GITA is determined by the value of the assets of the investment fund within the meaning of section 1(2) GITA without taking into account its liabilities. In the case of indirect investment in equity participations via other investment funds, the fund/sub-fund shall base its compliance with its equity fund – equity participation quota on the actual equity participation quotas published by these investment funds on each valuation date. An indirect investment in equity participations via other investment funds requires that these investment funds carry out a valuation at least once a week.</p>
<b>Benchmark</b>	TOPIX (Tokyo Stock Price Index)
<b>Investor Profile</b>	This Sub-fund is suitable for the Investor who is prepared to take the higher risks associated with investments in the stock markets in order to maximise the return. Thus, the Investor should have experience with volatile products and be able to accept significant temporary losses.
<b>Management Company</b>	Universal-Investment-Luxembourg S.A

<b>Depository</b>	State Street Bank International GmbH Luxembourg Branch
<b>Registrar and Transfer Agent</b>	State Street Bank International GmbH Luxembourg Branch
<b>Paying Agent in Luxembourg</b>	State Street Bank International GmbH Luxembourg Branch
<b>Portfolio Manager</b>	Four Seasons Asia Investment Pte. Ltd
<b>Collateral Manager</b>	Universal-Investment-Gesellschaft mbH
<b>Distributor</b>	Four Seasons Asia Investment Pte. Ltd
<b>Valuation day</b>	Every full banking day, which is simultaneously a stock exchange day in Luxembourg, Japan and Frankfurt am Main (with the exception of 24 and 31 December of every year)
<b>Cut-off time for subscriptions, redemptions and conversion of Shares</b>	4 p.m. (Luxembourg time) one business day prior to the relevant dealing date
<b>Payment of the issue prices</b>	within four (4) Business Days after the Valuation Day
<b>Payment of the redemption prices</b>	within four (4) Business Days after the Valuation Day
<b>Financial Year</b>	1 October to 30 September
<b>1<sup>st</sup> Financial Year</b>	From launch to 30 September 2018 First annual report to 30 September 2019. First semi-annual report to 31 March 2019
<b>Sub-Fund term</b>	Unlimited
<b>Subscription Price</b>	The "Subscription Price" means during the Initial Offering Period, the Initial Offering Price, and after the Initial Offering Period, the Net Asset Value per Share of the relevant Share Class calculated on the concurrent Valuation Day in accordance with the Articles and the Prospectus.
<b>Redemption Price</b>	Subject to the Articles, the "Redemption Price" will be denominated in the applicable Reference Currency and will be equal to the Net Asset Value per Share of the relevant Share Class at the relevant Valuation Day, after adjustment for any accrual of Management Fees due (if not already included in the Net Asset Value) as well as any other redemption fee.
<b>Exchange commission</b>	Where different share classes are offered within the Sub-Fund, an exchange of Shares from one share class for Shares in another share class within the Sub-Fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged.

<b>Management Company Fee and Administration Fee</b>	<p>Up to 0.30 % p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 55,000 EUR p.a. plus a fixed Management Company Fee of up to 25,000 EUR p.a. for up to 2 active share classes.</p> <p>For each additional active share class (from the third share class) the Management Company receives a minimum fee of 7.500 EUR p.a. (unhedged ) / 10.000 EUR p.a. (hedged).The Management Company can accept a lower fee or waive the fee.</p>
<b>Depository Fee</b>	<p>Up to 0.03% p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 30,000.- EUR p.a., plus safekeeping fee and transaction fee. In addition, the Depository/Custodian will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Custodian may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made.</p>
<b>Transfer Agency Fee</b>	<p>1,500 EUR per ISIN code p.a. plus transaction and reporting fees. The Transfer Agency will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Transfer Agency may vary depending on the nature of the investor and the countries which the investors are located.</p>
<b>Collateral Management Fee</b>	<p>2,000 EUR p.a. per contractual agreement negotiated and maintained per counterparty plus 1,750 EUR p.a. per active agreement for the operational tasks and implementation of the contractual obligations.</p>
<b>FATCA classification</b>	<p>According to the current national Luxembourg FATCA legislation, the Sub-Fund is qualified as a "Restricted Fund" in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, shares in the Sub-Fund must not be offered, sold, transferred or delivered to:</p> <ul style="list-style-type: none"> <li>• Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,</li> <li>• Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and</li> </ul> <p>Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.</p>
<b>CRS Classification</b>	Luxembourg Financial Institution (Investment Entity)
<b>Distribution countries</b>	Luxembourg, Switzerland, Singapore, United Kingdom, Germany
<b>Risk management-Procedure</b>	Commitment Approach
<b>Diclosure Regulation Classification</b>	The Sub-Fund is classified as an article 6 Sub-Fund under the Disclosure Regulation, as defined below.

<b>Share classes "I"</b>	<b>I JPY</b>
<b>Currency</b>	JPY
<b>Share-Class-Hedging</b>	No
<b>ISIN Code (ISIN)</b>	LU205 1943475
<b>Securities identification number (WKN)</b>	A2PRP0
<b>Initial Issue Price (excluding Subscription Fee)</b>	JPY 10.000
<b>Initial minimum investment<sup>6</sup></b>	JPY 20.000.000
<b>Subsequent investment</b>	JPY 100.000
<b>Launch date/activation date in Luxembourg</b>	04.10.2019
<b>Subscription Fee currently applicable</b>	None
<b>Redemption Fee currently applicable</b>	None
<b>Anti-dilution measures</b>	None
<b>Appropriation of earnings</b>	Accumulating
<b>Portfolio Manager Fee</b>	Up to 1,50 %
<b>Distribution Fee</b>	None
<b>Taxe d'abonnement</b>	0,01 %

<sup>6</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount



Share classes	F GBP	F JPY	Q JPY
<b>Currency</b>	GBP	JPY	JPY
<b>Share-Class-Hedging</b>	No	No	No
<b>ISIN Code (ISIN)</b>	LU205 1944101	LU 1728552297	LU186 5177098
<b>Securities identification number (WKN)</b>	A2PRP7	A2JEHE	A2JR5V
<b>Initial Issue Price (excluding Subscription Fee)</b>	GBP 100	JPY 10.000	JPY 10.000
<b>Initial minimum investment</b>	GBP 150.000	JPY 20.000.000	JPY 20.000,000
<b>Subsequent investment</b>	GBP 1.000	JPY 100.000	JPY 10.000.000
<b>Launch date/ activation date in Luxembourg</b>	17.10.2019	19.06.2019	15.11.2018
<b>Subscription Fee currently applicable</b>	None	None	None
<b>Redemption Fee currently applicable</b>	None	None	None
<b>Anti-dilution measures</b>	None	None	None
<b>Appropriation of earnings</b>	Accumulating	Accumulating	Accumulating
<b>Portfolio Manager Fee</b>	Up to 1,50 %	Up to 1,50 %	Up to 1,50 %
<b>Distribution Fee</b>	None	None	None
<b>Taxe d'abonnement</b>	0,01 %	0,01 %	0,05 %

## INCLUSION OF SUSTAINABILITY RISKS IN THE INVESTMENT PROCESS

As part of the investment process, the relevant financial risks are integrated in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector ("Disclosure Regulation"), which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments,

they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the Sub-Fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the investment Sub-Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the investment Sub-Fund may be realized.

#### **PORTFOLIO MANAGER**

The Portfolio Manager Four Seasons Asia Investment Pte. Ltd. manages the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objective and policies of the Sub-Fund as described in this Appendix, and is responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by it at its discretion. The Portfolio Manager's license granted by the Monetary Authority of Singapore is restricted to the distribution to Accredited and Institutional Investors as defined in the Singapore Securities and Futures Act. Thus the distribution is restricted to such eligible investors.

#### **COLLATERAL MANAGER**

The collateral management for transactions with derivatives of the Sub-Fund is outsourced to Universal-Investment-Gesellschaft mbH, Theodor-Heuss-Allee 70, 60486 Frankfurt am Main (the „Collateral Manager“). The Collateral Manager will initiate the exchange of collateral in order to mitigate the risks of transactions with OTC derivatives (“Collateral Management”). Collateral may be provided in for of cash or securities to be exchanged between the acting counterparties.

#### **FEES AND EXPENSES**

##### **Management Company and Administration Fee charged to Sub-Fund assets**

The remuneration of the Management Company and Administration Fee shall be calculated on each valuation day and paid out on a quarterly basis, based on the average net asset value of the relevant quarter.

The Management Company can accept a lower fee or waive the fee.

##### **Depository and Paying Agency Fee, Registrar and Transfer Agency Fee charged to Sub-Fund assets**

The remuneration is payable monthly on a pro rata basis. Transaction costs will be charged separately.

##### **Portfolio Manager Fee**

The remuneration of the Portfolio Manager shall be calculated on each valuation day and paid to the Portfolio Manager quarterly, based on the average net asset value of the relevant month. The Portfolio Manager can accept a lower fee or waive the fee.

## APPENDIX UI – Hansabay Blossom Fund

In addition to the provisions of the General Part of the Prospectus the following Sub-Funds specific provisions apply. This appendix is only valid in connection with the General Part of the Prospectus.

<b>Sub-Fund name</b>	<b>UI – Hansabay Blossom Fund</b>
<b>Sub-Fund currency</b>	<b>USD</b>
<b>Investment objective</b>	The objective of the Sub-Fund is to generate long term positive absolute returns from long/short trading, primarily but not exclusively in, Taiwanese equities. The Sub-Fund invests its assets according to its investment strategy.
<b>Investment strategy</b>	<p>This is a Sub-Fund equity investment strategy with a unique approach. The Sub-Fund targets an absolute return with manageable risk across market cycles.</p> <p>The Sub-Fund would normally have between 15 to 30 long positions and 10 to 50 short positions, and maintain a long bias.</p> <p>The long bias is based on the generally positive outlook for Taiwan and a vast target universe.</p> <p>A long short opportunity arises due to frequent dislocations in the Taiwan market, expressed through sector rotations and biases, and often caused by international fund flows and sentiment.</p> <p>80 – 100% of the fund will be invested in Taiwan (on a gross basis) through issuers in Taiwan or the United States. Investments may also be made in issuers from Hong Kong, Japan, South Korea or other parts of the world.</p> <p>The Sub-Fund is actively managed.</p> <p>This Sub-Fund is not classified as a product promoting environmental or social characteristics within the meaning of the Disclosure Regulation (Article 8), nor as a product with sustainable investment as its objective (Article 9).</p> <p>The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p>The principal adverse impacts on sustainability factors ("PAI") are considered in the investment process at the level of the Management Company. A consideration of PAI at the level of the Sub-Fund is not binding and is not carried out in this respect. Information on PAI is available in the annual report of the respective Sub-Fund (Annual reports published as of 01.01.2023).</p>
<b>Investment restrictions</b>	<p>Financial Derivative Instruments (FDI) could be used for investment and hedging purposes.</p> <p>The Sub-Fund will gain exposure to total return swaps up to a maximum of 150 %, measured in relation to the sub-fund assets under management.</p> <p>The Sub-Fund may not invest more than 10% of its net assets in shares or units of other UCITS or UCI as mentioned in Article 41 (1) e) of the UCI law. The Limit includes open-ended ETFs.</p> <p>Direct and indirect Investments in Asset Backed Securities (ABS) and Mortgage Backed Securities (MBS) will not be transacted.</p> <p>Furthermore, the Sub-Fund may hold up to 20% bank deposits at sight. The above mentioned 20% limit shall only be temporarily breached for a period of time strictly necessary when, because of exceptionally unfavourable market conditions, circumstances so require and where such breach is justified having regard to the interests of the investors.</p> <p>In addition, the Sub-Fund may also invest in money market instruments such as longer-term time deposits in general for financial purposes or in the event of</p>

	<p>unfavorable market conditions. These are limited to a maximum of 49% including bank deposits at sight.</p> <p>Note: Among possible techniques for efficient portfolio management, the Sub-Fund currently only uses derivative transactions, which can be entered into in any form (included total return swaps). Securities financing transactions in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and re-use and amending Regulation (EU) No 648/2012 are not currently used for the Sub-Fund. If the Management Company intends to use other techniques for efficient portfolio management or securities financing transactions for the Sub-Fund, this Prospectus shall be amended accordingly.</p>
<b>Benchmark</b>	5% absolute return
<b>Investor Profile</b>	The Fund is designed for investors who are able to assess the risks and the value of the investment. The investor must be prepared and able to deal with significant value fluctuations to the units and if necessary a considerable capital loss. This Fund is potentially not suitable for investors who want to withdraw their money from the Fund again within a period of less than 5 years.
<b>Management Company</b>	Universal-Investment-Luxembourg S.A.
<b>Depository</b>	State Street Bank International GmbH Luxembourg Branch
<b>Registrar and Transfer Agent</b>	State Street Bank International GmbH Luxembourg Branch
<b>Paying Agent in Luxembourg</b>	State Street Bank International GmbH Luxembourg Branch
<b>Portfolio Manager</b>	SANTA LUCIA ASSET MANAGEMENT PTE. LTD.
<b>Collateral Manager</b>	Universal-Investment-Gesellschaft mbH
<b>Distributor</b>	SANTA LUCIA ASSET MANAMENT PTE. LTD.
<b>Valuation day</b>	Every full banking day, which is simultaneously a stock exchange day in Luxembourg, Singapore and Frankfurt am Main (with the exception of 24 and 31 December of every year).
<b>Cut-off time for subscriptions, redemptions and conversion of Shares</b>	4 p.m. (Luxembourg time) one business day prior to the relevant dealing date
<b>Payment of the issue prices</b>	within three (3) Business Days after the Valuation Day
<b>Payment of the redemption prices</b>	within three (3) Business Days after the Valuation Day
<b>Financial Year</b>	1 October to 30 September
<b>1<sup>st</sup> Financial Year</b>	<p>From launch to 30 September 2019</p> <p>First annual report to 30 September 2019</p> <p>First semi-annual report to 31 March 2019</p>

<b>Sub-Fund term</b>	Unlimited
<b>Share classes</b>	Q USD
<b>Currency</b>	USD
<b>Share-Class-Hedging</b>	No
<b>ISIN Code (ISIN)</b>	LU1856017816
<b>Securities identification number (WKN)</b>	A2JQNS
<b>Initial Issue Price (excluding Subscription Fee)</b>	USD 100
<b>Initial minimum investment<sup>17</sup></b>	USD 50,000
<b>Subsequent investment*</b>	none
<b>Subscription Price</b>	The "Subscription Price" means during the Initial Offering Period, the Initial Offering Price, and after the Initial Offering Period, the Net Asset Value per Share of the relevant Share Class calculated on the concurrent Valuation Day in accordance with the Articles and the Prospectus.
<b>Subscription fee currently applicable<sup>18</sup></b>	up to 5%
<b>Redemption Price</b>	Subject to the Articles, the "Redemption Price" will be denominated in the applicable Reference Currency and will be equal to the Net Asset Value per Share of the relevant Share Class at the relevant Valuation Day, after adjustment for any accrual of Management Fees due (if not already included in the Net Asset Value) as well as any other redemption fee.
<b>Redemption fee currently applicable</b>	none
<b>Anti-dilution measures</b>	none
<b>Appropriation of earnings</b>	accumulating
<b>Exchange commission</b>	Where different share classes are offered within the Sub-Fund, an exchange of Shares from one share class for Shares in another share class within the Sub-Fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged.

<sup>17</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

\* The objective of reducing currency fluctuations should be implemented with the aim of a hedging ratio between 95% and 105%. However, there is no guarantee that this objective will be achieved.

<sup>18</sup> In individual cases the Board or the Distributor can determine a different agreement regarding the subscription fee

<b>Launch date/ activation date in Luxembourg</b>	30 November 2018
<b>Management Company Fee and Administration Fee</b>	Up to 0.30 % p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 80,000 EUR p.a. plus a fixed Management Company Fee of up to 25,000 EUR p.a.  The Management Company can accept a lower fee or waive the fee.
<b>Depository Fee</b>	Up to 0.03% p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 30,000.- EUR p.a., plus safekeeping fee and transaction fee. In addition, the Depository will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Custodian may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made.
<b>Transfer Agency Fee</b>	1,500 EUR per ISIN code p.a. plus transaction and reporting fees. The Transfer Agency will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Transfer Agency may vary depending on the nature of the investor and the countries which the investors are located.
<b>Portfolio Manager Fee</b>	Up to 1.30 % p.a.

<p><b>Performance Fee</b></p>	<p>In addition, the Portfolio Manager may, for each unit issued, receive a performance fee of up to 12.5 % of the amount by which the performance of the units exceeds the maximum unit value at the end of the five preceding accounting periods ("high-water mark"), however this is limited to up to 12,5 % of the amount by which the unit value at the end of the accounting period exceeds the unit value at the beginning of the accounting period by 5% ("Hurdle Rate"). However, up to a maximum of 5 % of the average net asset value of the UCITS investment fund in the accounting period calculated from the values at the end of each valuation date. Sentence 1 applies if unit classes are formed accordingly for each unit class. If there are fewer than five previous accounting periods for the UCITS investment fund or unit class, all previous accounting periods will be taken into account when calculating the fee. In the first accounting period following the launch of the UCITS investment fund, the high-water mark will be replaced by the unit value at the beginning of the first accounting period.</p> <p>The accounting period starts on 1 October and ends on 30 September of each year. The first annual accounting period starts on 1 October 2020.</p> <p>The share value performance is calculated using the BVI method (explanation published on the website 'www.bvi.de'). Based on the outcome of a daily calculation, any calculated performance fee incurred is set aside within the UCITS investment fund per share issued or any provision that has already been posted is reversed accordingly. Reversals of provisions are allocated to the UCITS investment fund. A performance fee can only be withdrawn if corresponding provisions have been formed.</p> <p>The Portfolio Manager may charge a reduced performance fee, or not charge one at all, for the UCITS investment fund or one or more share classes.</p> <p>* To clarify the performance fee, the descriptions are presented in a mathematical formula and an example calculation:</p> <div style="border: 1px solid black; padding: 10px; margin: 10px 0;"> <math display="block">HWM_t = \text{MAX}(AWt-1; AWt-2; AWt-3; AWt-4; AWt-5)</math> <math display="block">PERF\_FEE_t = \text{MIN}(\text{PART} * \text{MAX}(\text{MIN}(\text{PERFFONDS}(HWM)_t; \text{PERFFONDS}_t - \text{PERFHURDLE}_t); 0); \text{CAP}) * \text{NAVDURCH}_t</math> </div> <p>With:</p> <p>PERF_FEE: Performance fee in the share class currency at the end of period t</p> <p>PART: Participation</p> <p>CAP: CAP – Maximum performance fee as a percentage of the average net asset value for the period</p> <p>PERFFONDS_t: Performance of the fund in period t</p> <p>PERFFONDS(HWM)_t: Performance of the fund in period t to the current High Water Mark (HWM)</p> <p>PERFHURDLE_t: Performance of the hurdle in period t</p> <p>NAVDURCH_t: Average net asset value of the share class in the period t</p> <p>AWt-1;2;3;4;5: NAV per share at the end of period t-1, t-2, t-3, t-4, t-5</p> <p>Explanation of terms and calculation examples:</p> <p>Performance (Perf.) of the fund: The performance of the fund is always calculated over an annual period (calculating period). The period begins on 01.10, and ends on 30.09, of each year. The first accounting period begins on 01.10.2020.</p> <p>High Water Mark (HWM): The HWM is the highest value of the NAV per share at the end of the last five calculation periods.</p> <p>Performance (Perf.) of the fund to HWM: The performance of the fund to the HWM is calculated in the same way as the performance of the fund, whereby the starting NAV per share value for calculating the performance corresponds to the current HWM.</p> <p>Performance of the Benchmark: Performance of the hurdle during the calculation period.</p> <p>Outperformance to the Hurdle: Difference between the performance of the fund and the hurdle.</p> <p>NAV: Average of the fund daily net asset values in the calculation period.</p> <p>Participation: Percentage of how much of the positive outperformance may be withdrawn from the fund as performance-based compensation.</p> <p>Performance Fee (Perf. Fee) absolute: Amount of performance-based compensation charged to the fund as costs in the calculation period.</p> <p>Performance Fee relative: Performance fee absolute in relation to the average NAV of the fund.</p> <p>Cap: Percentage of the average NAV of the fund in the calculation period, which the relative performance fee may not exceed.</p>
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	Period	HWM	Last NAV per share of the period	Perf. of the fund	Perf. of the fund (HWM)	Perf. of the Hurdle	Out-performance	Relevant Perf.	NAV	Perf.Fee (absolute)	Perf. fee (relative)**
						Hurdle Rate 5% p.a.	Performance Fund minus Hurdle Rate	MIN(Perf. of the fund (HWM) and Outperformance)		Relevant performance multiplied by NAV and participation*	Performance fee (absolute) divided by NAV
	Year 1	100,00 EUR	95,00 EUR	-5,00%	-5,00%	5,00%	-10,00%	-10,00%	50 Mio. EUR	0 EUR	0,00%
	Year 2	100,00 EUR	114,00 EUR	20,00%	14,00%	5,00%	15,00%	14,00%	60 Mio. EUR	1.050.000 EUR	1,75%
	Year 3	114,00 EUR	122,55 EUR	7,50%	7,50%	5,00%	2,50%	2,50%	70 Mio. EUR	218.750 EUR	0,31%
	Year 4	122,55 EUR	125,00 EUR	2,00%	2,00%	5,00%	-3,00%	-3,00%	65 Mio. EUR	0 EUR	0,00%
	Year 5	125,00 EUR	140,00 EUR	12,00%	12,00%	5,00%	7,00%	7,00%	72 Mio. EUR	630.000 EUR	0,88%
	* Participation is 12,5%										
	** CAP is 5%, i.e. the relative performance fee may not exceed 5%.										
<b>Collateral Management Fee</b>	2,000 EUR p.a. per contractual agreement negotiated and maintained per counterparty plus 1,750 EUR p.a. per active agreement for the operational tasks and implementation of the contractual obligations.										
<b>Distribution Fee</b>	none					none					
<b>Taxe d'abonnement</b>	0,05%					0,05%					
<b>FATCA classification</b>	<p>According to the current national Luxembourg FATCA legislation, the Sub-Fund is qualified as a "Restricted Fund" in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, shares in the Sub-Fund must not be offered, sold, transferred or delivered to:</p> <ul style="list-style-type: none"> <li>Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,</li> <li>Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and</li> </ul> <p>Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.</p>										
<b>CRS Classification</b>	Luxembourg Financial Institution (Investment Entity)										
<b>Distribution countries</b>	Singapore										
<b>Risk management-Procedure</b>	Relative VaR Approach										
<b>Derivative free Reference Portfolio</b>	100% MSCI Taiwan Net Total Return USD Index (M1TW INDEX)										



<b>Expected Leverage</b>	The average leverage of the Sub-Fund, under normal market conditions, calculated as the "Sum of the Notionals" of the financial derivative instruments used, is expected to be 150% although lower and higher levels are possible.
<b>Disclosure Regulation Classification</b>	The Sub-Fund is classified as an article 6 Sub-Fund under the Disclosure Regulation

## **INCLUSION OF SUSTAINABILITY RISKS IN THE INVESTMENT PROCESS**

As part of the investment process, the relevant financial risks are integrated in the investment decision and assessed on an ongoing basis. In doing so, relevant sustainability risks within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector ("Disclosure Regulation"), which may have a material negative impact on the return on an investment, are also taken into account.

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and / or the liquidity of the investment and thus on the return of the Sub-Fund. Sustainability risks can have a significant impact on all known risk types and can contribute as a factor to the materiality of these risk types.

As part of the selection of assets for the investment Sub-Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the investment Sub-Fund may be realized.

### **Special Features of Total Return Swap Transactions:**

- a) The investment policy of the sub-fund will allow the use of total return swaps, the rationale for their use is to allow more efficient access to equity markets requiring foreign investor ID such as Taiwan and South Korea, and implement relative value strategies.
- b) The underlying asset types of the total return swaps could be, primarily but not limited to, exposures to Taiwanese equities.
- c) The sub-fund will gain exposure to total return swaps up to a maximum of 150%, measured in relation to the sub-fund assets under management.
- d) The sub-fund will gain exposure to total return swaps in average of 100%, measured in relation to the sub-fund assets under management.

It should be noted, that the percentage figures mentioned in d) cannot be considered as investment restrictions and no compensation can be claimed in events of disregard. In case of sustainable changes in that the investment strategy with regards to the use and extent of total return swaps as outlined above, the management company will adjust the provided information above as soon as possible:

## **PORTFOLIO MANAGER**

The Portfolio Manager SANTA LUCIA ASSET MANAGEMENT PTE. LTD. manages the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objective and policies of the Sub-Fund as described in this Appendix, and is responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by it at its discretion.

## **COLLATERAL MANAGER**

The collateral management for transactions with derivatives of the Sub-Fund is outsourced to Universal-Investment-Gesellschaft mbH, Theodor-Heuss-Allee 70, 60486 Frankfurt am Main (the „Collateral Manager“). The Collateral Manager will initiate the exchange of collateral in order to mitigate the risks of transactions with OTC derivatives (“Collateral Management”). Collateral may be provided in for of cash or securities to be exchanged between the acting counterparties.

## **FEES AND EXPENSES**

### **Management Company and Administration Fee charged to Sub-Fund assets**

The remuneration of the Management Company and Administration Fee shall be calculated on each valuation day and paid out on a quarterly basis, based on the average net asset value of the relevant quarter.

The Management Company can accept a lower fee or waive the fee.

### **Depository and Paying Agency Fee, Registrar and Transfer Agency Fee charged to Sub-Fund assets**

The remuneration is payable monthly on a pro rata basis. Transaction costs will be charged separately.

### **Portfolio Manager Fee**

The remuneration of the Portfolio Manager shall be calculated on each valuation day and paid to the Portfolio Manager quarterly, based on the average net asset value of the relevant month. The Portfolio Manager can accept a lower fee or waive the fee.



## APPENDIX UI – Aktia Sustainable Corporate Bond Fund

In addition to the provisions of the General Part of the Prospectus the following Sub-Funds specific provisions apply. This appendix is only valid in connection with the General Part of the Prospectus.

<b>Sub-Fund name</b>	<b>UI – Aktia Sustainable Corporate Bond Fund</b>
<b>Sub-Fund currency</b>	EUR
<b>Investment objective</b>	The Sub-Fund aims to achieve long-term increases in value, while the sustainable objective is to make a positive contribution (so-called positive impact) to sustainability. The positive impact focuses on four core sustainability themes that address global and local fields of action: - Environment, - Society, - Knowledge and – Health.
<b>Investment strategy</b>	<p>The Sub-Fund has sustainable investment as its objective within the meaning of Article 9 of the EU Disclosure Regulation.</p> <p>In order to achieve the investment objective the Sub-Fund intends to make a positive net impact through investing in ICMA conform sustainable corporate bonds where the proceeds are used to finance environmental projects (green bonds), social projects (social bonds), the combination of these (sustainability bonds) or sustainability linked bonds. The investment universe comprises all bonds that meet the Aktia's responsible investment principles and the sub-fund's specific ESG screening criteria and which have undergone fundamental analysis within the core sustainability themes.</p> <p>The Sub-Fund's investment policy is based on a transparent and stringent investment process. The entire process is characterised by an interdisciplinary cooperation of several competence teams of the Portfolio Manager. In Aktia, investment decisions and portfolio management are based on overall, in-depth analysis and views of positive and negative factors, including ESG and impact. The analysis is based on the integration of sustainability aspects into the issuer analysis and the identification of the positive impact to core sustainability themes.</p> <p>The benchmark index of the Sub-Fund is Bloomberg MSCI Euro Green Bonds TR Index: Corporate. The focus of the Sub-Fund is on IG credit with the possibility to invest up to 20 % in High yield incl. investments in not-rated bonds which are limited to 3 %. The composition of the index includes various types of debt instruments with different seniorities. The fund also takes advantage of this element and invests in hybrid bonds such as subordinated bonds or participation certificates. The eligibility criteria of the designated index reflect the core elements of the Green Bond Principles, as do the bonds in the sub-fund. Both the index and the sub-fund consist of sustainable bonds only. The index consists of bonds denominated in EUR and the sub-fund also principally invests in bonds denominated in EUR. The benchmark index is both transparent and representative of the market being measured. The main difference between a broad markets index and the designated index is that the latter consist of sustainable bonds in the European market only whereas the former consists of both grey and green bonds. Furthermore, the sectors are more evenly distributed in the broad index compared to the designated index, where for example utilities and real estate have a larger share to date.</p> <p>This Sub-Fund seeks to make a sustainable investment within the meaning of Article 9 of the Disclosure Regulation. The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.</p> <p>The principal adverse impacts on sustainability factors ("PAI") are considered in the investment process at the level of the AIFM/Management Company. A consideration of PAI at the level of the Sub-Fund is binding and is carried out.</p> <p><b>Information about sustainable investments and the consideration of PAI is available in the Annex "Pre-contractual disclosure Article 9 Disclosure Regulation".</b></p>

<b>Investment restrictions</b>	<p><b>Fixed-Income Securities</b></p> <p>The Sub-Fund invests at least 51% of the net Sub-Fund assets in Fixed Income Securities, including both corporate/financial senior and junior debt bonds. Investments in sub-category of junior bonds of Contingent Convertibles Bonds (CoCo's) are not undertaken.</p> <p>Investments in High-Yield and not rated Securities with a rating below "Investment Grade" are permitted up to 20% of the net Sub-Fund assets.</p> <p>Direct and indirect investments in Asset Backed Securities (ABS) and Mortgage Backed Securities (MBS) will not be undertaken.</p> <p><b>Equities</b></p> <p>The Sub-Fund will not invest in equities and securities with equity character</p> <p><b>Investment Funds</b></p> <p>The Sub-Fund may not invest more than 10% of its net assets in shares or units of other collective investment schemes especially not in UCITS or UCI as mentioned in Article 41 (1) e) of the UCI law.</p> <p><b>Certificates</b></p> <p>Investments in certificates are not undertaken.</p> <p><b>Derivatives Financial Instruments</b></p> <p>Derivative Financial Instruments, which are traded on a regulated market or over the counter (OTC), may be used for hedging and investment purposes. Derivative Financial Instruments (FDI) include Futures, FX Forwards and Non-Deliverable Forwards. Other Derivative Financial Instruments (FDI) will not be used.</p> <p><b>Miscellaneous</b></p> <p>Furthermore, the Sub-Fund may maintain bank deposits at sight (cash) and time deposits with banks. The Sub-Fund's assets may hold bank deposits at sight up to 20%. This 20% limit may be temporarily exceeded for an absolutely necessary period of time if the circumstances require such limit exceeding due to extraordinary adverse market conditions and if such limit exceeding is justified by taking into account the interest of the investors. In addition, the Sub-Fund may also invest in money market instruments such as longer-term time deposits in general for financial purposes or in the event of unfavorable market conditions. These including bank deposits at sight are limited to a maximum of 49%.</p> <p>The above-mentioned investment universe extends to issuers from developed and emerging markets. The proportion of emerging markets will be at a maximum of 10 % .</p> <p><b>Note:</b> Among possible techniques for efficient portfolio management, the Sub-Fund currently only uses derivative transactions, which can be entered into in any form. Securities financing transactions and total return swaps in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and re-use and amending Regulation (EU) No 648/2012 are not currently used for the Sub-Fund. If the Management Company intends to use other techniques for efficient portfolio management or securities financing transactions for the Sub-Fund, this Prospectus shall be amended accordingly.</p>
<b>Benchmark</b>	Bloomberg MSCI Green Bond Corporate TR (EUR)
<b>Share Classes Currency hedging</b>	none
<b>Investor Profile</b>	<p>The Sub-Fund is designed for investors who have gained a certain amount of experience with financial markets. The investor must be prepared and able to deal with price fluctuations to the units and if necessary, a significant capital loss. The Sub-Fund is suitable for investors seeking capital appreciation with a minimum investment horizon of 4 years and who are prepared to accept a low to medium level of volatility.</p>

<b>Management Company</b>	Universal-Investment-Luxembourg S.A.
<b>Depository</b>	State Street Bank International GmbH Luxembourg Branch
<b>Registrar and Transfer Agent</b>	State Street Bank International GmbH Luxembourg Branch
<b>Paying Agent in Luxembourg</b>	State Street Bank International GmbH Luxembourg Branch
<b>Portfolio Manager</b>	Aktia Bank Plc
<b>Collateral Manager</b>	Universal-Investment-Gesellschaft mbH
<b>Distributor</b>	Aktia Bank Plc
<b>Valuation day</b>	Every full banking day, which is simultaneously a stock exchange day in Luxembourg and Frankfurt am Main (with the exception of 24 and 31 December of every year)
<b>Cut-off time for subscriptions, redemptions and conversion of Shares</b>	4 p.m. (Luxembourg time) on the relevant Business Day (Dealing Date)
<b>Payment of the issue prices</b>	within three (3) Business Days after the Valuation Day
<b>Payment of the redemption prices</b>	within three (3) Business Days after the Valuation Day
<b>Financial Year</b>	1 October – 30 September
<b>1<sup>st</sup> Financial Year</b>	From launch to 30 September 2022 First annual report to 30 September 2022 First semi-annual report to 31 March 2023
<b>Sub-Fund term</b>	Unlimited
<b>Subscription Price</b>	The "Subscription Price" means during the Initial Offering Period, the Initial Offering Price, and after the Initial Offering Period, the Net Asset Value per Share of the relevant Share Class calculated on the concurrent Valuation Day in accordance with the Articles and the Prospectus.
<b>Redemption Price</b>	Subject to the Articles, the "Redemption Price" will be denominated in the applicable Reference Currency and will be equal to the Net Asset Value per Share of the relevant Share Class at the relevant Valuation Day, after adjustment for any accrual of Management Fees due (if not already included in the Net Asset Value) as well as any other redemption fee.
<b>Exchange commission</b>	Where different share classes are offered within the Sub-Fund, an exchange of Shares from one share class for Shares in another share class within the Sub-Fund is possible, so long as the investor fulfils the conditions of the respective Share Class. In this case no exchange commission is charged.
<b>Anti-dilution measures</b>	none

<b>Management Company Fee and Administration Fee</b>	Up to 1.25 % p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 50,000 EUR p.a. plus a fixed Management Company Fee of up to 25,000 EUR p.a. The Management Company can accept a lower fee or waive the fee.
<b>Depository Fee</b>	Up to 0.03% p.a. of the net asset value of the Sub-Fund with a minimum fee of up to 30,000. - EUR p.a., plus safekeeping fee and transaction fee. In addition, the Depository/Custodian will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Custodian may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made.
<b>Registrar- and Transfer Agency Fee</b>	1,500 EUR per ISIN code p.a. plus transaction and reporting fees. The Transfer Agency will also be entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties. Fees paid to the Transfer Agency may vary depending on the nature of the investor and the countries which the investors are located.
<b>Distribution Fee</b>	Included in the above referred to Management Company and Administration Fee
<b>Advisory Fee</b>	Included in the above referred to Management Company and Administration Fee
<b>Collateral Manager Fee</b>	2,000 EUR p.a. per contractual agreement negotiated and maintained per counterparty plus 1,750 EUR p.a. per active agreement for the operational tasks and implementation of the contractual obligations.  Universal may charge the Sub-Fund a lower fee at its own discretion or may exempt the latter from paying such a fee.
<b>Research costs</b>	Up to 0, 10 % of the average net asset value in the relevant fiscal year
<b>FATCA classification</b>	According to the current national Luxembourg FATCA legislation, the Sub-Fund is qualified as a "Restricted Fund" in accordance with Annex II, Section IV (E) (5) of the IGA Luxembourg-USA. As per definition of the Annex II, Section IV (E) (5) of the IGA Luxembourg-USA, a Restricted Fund is a Non-Reporting Luxembourg Financial Institution and shall be treated as a deemed-compliant Foreign Financial Institution for purposes of section 1471 of the US Internal Revenue Code. Therefore, shares in the Sub-Fund must not be offered, sold, transferred or delivered to: <ul style="list-style-type: none"> <li>• Specified U.S. Persons within the meaning of Article 1, Section 1 (ff) of the IGA Luxembourg-USA,</li> <li>• Nonparticipating Financial Institutions within the meaning of Article 1, Section 1 (r) of the IGA Luxembourg-USA, and</li> </ul> Passive Non-Financial Foreign Entities (passive NFFEs) with one or more substantial US Owners as defined in the relevant US Treasury Regulations.
<b>CRS classification</b>	Luxembourg Financial Institution (Investment Entity)
<b>Distribution countries</b>	Austria, Germany, Sweden, France and Finland
<b>Risk management-Procedure</b>	Relative VaR Approach
<b>Derivative-free reference portfolio</b>	100% Bloomberg MSCI Euro Green Bond Corporate Total Return (EUR) (Bloomberg: I31617EU INDEX)
<b>Expected Leverage</b>	The average leverage of the Sub-Fund, under normal market conditions, calculated as the Sum of the Notionals of the financial derivative instruments used, is expected to be 50% although lower and higher levels are possible.

<b>Classification under the Disclosure Regulation</b>	This Sub-Fund aims to be a sustainable investment under Article 9 of the Disclosure Regulation (Regulation (EU) 2019/2088).
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Share classes	I	IX	R	R (Clean)	R (Clean Distributing)
<b>Currency</b>	EUR	EUR	EUR	EUR	EUR
<b>Share-Class Hedging</b>	N/A	N/A	N/A	N/A	N/A
<b>ISIN Code (ISIN)</b>	LU2459309410	LU2459309501	LU2459309683	LU2459309766	LU2459309840
<b>Securities identification number (WKN)</b>	A3DHNC	A3DHND	A3DHNE	A3DHNF	A3DHNG
<b>Initial Issue Price (excluding Subscription Fee)</b>	EUR 100	EUR 100	EUR 100	EUR 100	EUR 100
<b>Initial minimum investment<sup>19</sup></b>	EUR 500,000	EUR 5,000,000	None	None	None
<b>Subsequent investment*</b>	None	None	None	None	None
<b>Subscription fee currently applicable<sup>20</sup></b>	Up to 5%	Up to 5%	Up to 5%	Up to 5%	Up to 5%
<b>Redemption fee currently applicable</b>	Up to 5%	Up to 5%	Up to 5%	Up to 5%	Up to 5%
<b>Appropriation of earnings</b>	Accumulating	Accumulating	Accumulating	Accumulating	Distributing
<b>Launch date/ activation date in Luxembourg</b>	01.09.2022	01.09.2022	16.12.2022	01.09.2022	
<b>Taxe d'abonnement</b>	0.01% p.a.	0.01% p.a.	0.05% p.a.	0.05% p.a.	0.05% p.a.
<b>Portfolio Manager Fee</b>	The Portfolio Manager Fee will be paid out of the Management Company and Administration Fee				
	Up to 0.50%	Up to 0.40%	Up to 0.85%	Up to 0.50%	Up to 0.50%
<b>Performance Fee</b>	None				

<sup>19</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

<sup>20</sup> In individual cases the Board or the Distributor can determine a different agreement regarding the subscription fee



<b>Share classes</b>	<b>IX (D)</b>
<b>Currency</b>	EUR
<b>Share-Class Hedging</b>	N/A
<b>ISIN Code (ISIN)</b>	LU2619348928
<b>Securities identification number (WKN)</b>	A3EE68
<b>Initial Issue Price (excluding Subscription Fee)</b>	EUR 100
<b>Initial minimum investment<sup>21</sup></b>	EUR 5,000,000
<b>Subsequent investment*</b>	None
<b>Subscription fee currently applicable<sup>22</sup></b>	Up to 5%
<b>Redemption fee currently applicable</b>	Up to 5%
<b>Appropriation of earnings</b>	Distributing
<b>Launch date/ activation date in Luxembourg</b>	TBD
<b>Taxe d'abonnement</b>	0.01% p.a.
<b>Portfolio Manager Fee</b>	The Portfolio Manager Fee will be paid out of the Management Company and Administration Fee
	Up to 0.40%
<b>Performance Fee</b>	None

#### **INCLUSION OF SUSTAINABILITY RISKS IN THE INVESTMENT PROCESS**

As part of its investment process, the Sub-Fund includes all relevant financial risks in its investment decision-making process and evaluates them on an ongoing basis. In doing so, all relevant sustainability risks within the meaning of Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosure requirements in the financial services sector ("Disclosure Regulation"), which could have a material negative impact on the return on an investment, are also taken into account.

<sup>21</sup> The Board may at its own discretion waive the initial minimum and subsequent investment amount

<sup>22</sup> In individual cases the Board or the Distributor can determine a different agreement regarding the subscription fee

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. Sustainability risks can therefore lead to a significant decline in the financial profile, liquidity, profitability or reputation of the underlying investment. If sustainability risks are not already taken into account in the valuation process of the investments, they can have a material negative impact on the expected / estimated market price and/ or the liquidity of the investment and thus on the return of the Sub-Fund. Sustainability risks can have a significant impact on all known risk types and, as a factor, can contribute to the materiality of these risk types.

As part of the selection of assets for the investment Sub-Fund, the influence of the risk indicators, including sustainability risks, are assessed in addition to the investment objectives and strategies.

The assessment of risk quantification includes aspects of sustainability risks and relates them to other factors (in particular price and expected return) in the investment decision.

In general, risks (including sustainability risks) are already taken into account in the investment evaluation process (price indication) based on the potential material impact of risks on the return of the investment assets. Nevertheless, depending on the asset and due to external factors, negative effects on the return of the investment Sub-Fund may be realized.

For more information on how sustainability risks are incorporated into the investment process and on the possible extent of the impact of sustainability risks on returns, please refer to the Universal-Investment website.

## **SHARE CLASSES**

Share Classes I and IX are reserved for institutional investors under Luxembourg law and may only be subscribed by such investors. The Management Company reserves the right to require investors who wish to invest or are invested in this unit class to provide evidence of their status as institutional investors. Share Class R is available to both retail and institutional investors. The purchase of Share Class R (Clean) and Share Class R (Clean Distributing) is reserved exclusively for market participants (e.g. banks, asset managers, fee-based advisors) who, due to legal or regulatory requirements or special remuneration agreements with end investors / institutional investors (e.g. wealth management contracts), are not allowed to accept and / or collect ongoing sales commissions. The management company and the custodian of the sub-fund reserve the right to request corresponding confirmations / evidence from the respective counterparty of the share class transaction when units of this share class are requested.

## **PORTFOLIO MANAGER**

The Portfolio Manager Aktia Bank Plc, Arkadiankatu 4-6FI-00101 Helsinki manages the investment and reinvestment of the assets of the Sub-Fund in accordance with the investment objective and policies of the Sub-Fund as described in this Appendix, and is responsible for placing orders for the purchase and sale of investments with brokers, dealers and counterparties selected by it at its discretion.

## **COLLATERAL MANAGER**

The collateral management for transactions with derivatives of the Sub-Fund is outsourced to Universal-Investment-Gesellschaft mbH, Theodor-Heuss-Allee 70, 60486 Frankfurt am Main (the „Collateral Manager“). The Collateral Manager will initiate the exchange of collateral in order to mitigate the risks of transactions with OTC derivatives (“Collateral Management”). Collateral may be provided in for of cash or securities to be exchanged between the acting counterparties.

## **FEES AND EXPENSES**

### **Management Company and Administration Fee charged to Sub-Fund assets**

The Management Company and Administration Fee shall be calculated on each valuation day and paid out on a quarterly basis, based on the average net asset value of the relevant quarter.

The Management Company can accept a lower fee or waive the fee.

**Depository and Paying Agency Fee, Registrar and Transfer Agency Fee charged to Sub-Fund assets**

The remuneration is payable monthly on a pro rata basis. Transaction costs will be charged separately.

**Portfolio Manager Fee**

The Portfolio Manager Fee is calculated on each valuation day and paid to the Portfolio Manager quarterly, based on the average net asset value of the relevant month. The Portfolio Manager can accept a lower fee or waive the fee

**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**

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

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

<b>Product name:</b> UI - Aktia Sustainable Corporate Bond Fund		<b>Legal entity identifier (Lei-Code):</b> 5299007Y8HOXT88LO182	
<h2 style="color: green;">Environmental and/or social characteristics</h2>			
<b>Does this financial product have a sustainable investment objective?</b>			
<input checked="" type="radio"/> <input checked="" type="radio"/> <b>Yes</b>		<input checked="" type="radio"/> <input type="radio"/> <b>No</b>	
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: 65%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>		<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 <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>	
<input checked="" type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: 2%</b>		<input type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments.</b>	



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

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

This (Sub)Fund has sustainable investments as its objective within the meaning of Article 9 Disclosure Regulation

The minimum share of sustainable investments is 80 %.

The fund has sustainable investment as its objective within the meaning of Article 9 of the Disclosure Regulation. The objective of the sub-fund is to make a positive net impact through investing in ICMA compliant sustainable corporate bonds where the use of proceeds is used to finance environmental projects (green bonds), social projects (social bonds), the combination of these (sustainability bonds) or sustainability linked bonds. The positive impact focuses on four sustainability themes that address the global and local fields of action: Environment, Society, Knowledge and Health. Aktia examines issuers and bonds true impact using net impact model of The Upright Project. The Model analyses three parts of the value chain: internal impact; upstream impacts and downstream impacts. Aktia consider both instrument level and company level net impact. The sub-fund only invests in ICMA compliant sustainable corporate bonds which use of proceeds have an overall positive net impact. The use of proceeds for the instruments used may include e.g. green energy, energy efficiency, social housing or other environmental or social projects. The investment universe comprises all bonds that meet the Aktia's Responsible Investment Policy and fund's ESG screening criteria and have undergone fundamental analysis within the sustainability themes. In Aktia, investment decisions and portfolio management are based on overall, in-debt analysis and views of positive and negative factors, including ESG and impact, aiming to achieve the best possible return on the chosen risk level.

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

Net impact scorese provided by The Upright Project.

- ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

The decision making process of the fund takes into account sustainability risks and - factors and main Principle Adverse Impact-indicators (PAI). The evaluation is made using both own and external tools, through which different sustainability risks and -factors can be identified and reviewed diversely in the decision making process. These tools are also used to identify sustainability risks and PAI's before investment decisions and also in reporting after investment.

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

- Pornography/Adult Entertainment (Upstream, Production, Downstream) > 5% Revenues
- Alcohol (Production, Downstream) > 5% Revenues
- Cannabis(Production, Downstream) > 5% Revenues
- Conventional Weapons(Production, Downstream) > 5% Revenues
- Gambling (Production, Downstream) > 5% Revenues
- Nuclear weapons (Production, Downstream) > 0%
- Tobacco(Production) > 5% Revenues
- unconventional Weapons(Production, Downstream) > 0% Revenues

The Fund applies standards-based screening in respect of UN Global Compact, Incorporation of the OECD Guidelines , Incorporation of ILO (International Labour Organization).

*How have the indicators for adverse impacts on sustainability factors taken into account?*

Portfolio's investments are monitored on a regular basis. ESG data from Morningstar/Sustainalytics and ISS ESG is used as part of our investment analysis to assess the DNSH principle and the requirements for the issuers to meet the minimum social safeguards and good corporate governance. The data is used to consider e.g. ESG risks, controversies and norm-based screening. In addition, ISS ESG is used for stewardship activities such as pooled engagement and carbon data, physical and transition risks related to climate change and for climate scenario analysis. Adverse impacts are considered with the data by Morningstar/Sustainalytics and Upright Project. Based on the ESG analysis of our external ESG data providers, all companies are identified that are involved in particularly serious ESG controversies, risks or norm-breaches. As part of ESG integration and impact analysis, portfolio management also engages with companies on their approach to ESG and sustainability issues and related questions. Within the framework of a structured engagement process, existing and/or potential ESG controversies as well as other ESG-relevant aspects are addressed. Through this engagement process, portfolio management can determine whether a company or issuer recognises existing and/or potential issues and develop strategies to address them, as well as identify ESG/sustainability opportunities. In the case of serious ESG controversies, risks or norm-breaches, the portfolio management applies direct engagement with the company, in order to analyse the controversy with the company, influence company to take actions and make a final decision to continue investment or divestment based on this. Aktia's ESG committee, comprising members of Aktia Asset Management's units, can support portfolio managements in the process and final investment decisions.

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

The fund's decision-making process takes into account sustainability risks and factors as well as the main adverse sustainability effects (PAI). As assessment methods, Aktia uses both its own tools and those

developed by external service providers, which enable the identification and comprehensive examination of various sustainability risks and factors in the investment decision-making process. These tools are used as part of the decision-making process to identify sustainability risks and the main adverse sustainability effects before investment decisions, as well as to report them after investments.

Key international agreements and norms, such as the UN Declaration of Human Rights and other UN agreements, the UN Sustainable Development Goals (UN Sustainable Development Goals), ILO agreements, and OECD guidelines for multinational companies create Aktia's value base for responsible investing. To evaluate these as part of the investment process, Aktia uses data from external service providers.

Fund utilises norm based screening (to the extent that it is available from potential investment targets as part of the investment process and monitoring. Norm-based screening is based on UN Global Compact principles.

The responsibility of investment targets and ESG risk management are examined based on objective ESG data. The investment target's ESG risk management and responsibility analysis, including aspects related to the environment (E, environmental), society (S, social) and governance (G, governance) (to the extent that it is available for potential investment targets), are part of the portfolio management.



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

Yes,  
the following PAIs will be considered:

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

- THG-Emissions (Scope 1 GHG-Emissions)
- THG-Emissions (Scope 2 GHG-Emissions)
- THG-Emissions (Scope 3 GHG-Emissions)
- THG-Emissions (Scope 1 und 2 GHG-Emissions)
- THG-Emissions (Scope 1, 2 und 3 GHG-Emissions)
- CO2 footprint (CO2 footprint von Scope 1 und 2)
- CO2 footprint (CO2 footprint von Scope 1, 2 und 3)
- THG- Emission intensity of the companies invested in (THG- Emission intensity of the companies invested in from Scope 1 to 2)
- THG- Emission intensity of the companies invested in (THG- Emission intensity of the companies invested in from Scope 1, 2 to 3)
- Exposure to fossil fuel companies (share of investment in fossil fuel companies)
- Share of energy consumption from non-renewable energy sources (share of energy consumption of the companies invested in from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources)
- Share of energy consumption from non-renewable energy sources (share of energy production of the companies invested in from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per million EUR turnover of enterprises invested in, by climate-intensive sector NACE A)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per million EUR turnover of enterprises invested in, by climate-intensive sector NACE B)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per one million EUR turnover of enterprises invested in, by climate-intensive sector NACE C)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per one million EUR turnover of enterprises invested in, by climate-intensive sector NACE D)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per one million EUR turnover of enterprises invested in, by climate-intensive sector NACE E)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per million EUR turnover of enterprises invested in, by climate-intensive sector NACE F)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per million EUR turnover of enterprises invested in, by climate-intensive sector NACE G)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per million EUR turnover of enterprises invested in, by climate-intensive sector NACE H)
- Intensity of energy consumption by climate-intensive sector (energy consumption in GWh per one million EUR turnover of enterprises invested in, by climate-intensive sector NACE L)



- Activities adversely affecting areas of biodiversity conservation concern (proportion of investments in companies invested in with sites/operations in or near areas of biodiversity conservation concern, where the activities of these companies adversely affect these areas)
- Emissions in water (tonnes of emissions in water caused by the companies invested in per million EUR invested, expressed as a weighted average)
- Hazardous and radioactive waste fraction (tonnes of hazardous and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average)
- Violations of the UNGC Principles and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (proportion of investments in enterprises invested in that have been involved in violations of the UNGC Principles or the OECD Guidelines for Multinational Enterprises)
- Lack of processes and compliance mechanisms to monitor compliance with the UNGC Principles and the OECD Guidelines for Multinational Enterprises (percentage of investments in companies that do not have policies in place to monitor compliance with the UNGC Principles and the OECD Guidelines for Multinational Enterprises, or do not have procedures in place to address complaints of violations of the UNGC Principles and the OECD Guidelines for Multinational Enterprises).
- Unadjusted gender pay gap (average unadjusted pay gap for companies in which investments are made)
- Gender diversity in the management and control bodies (average ratio of women to men in the management and control bodies of the companies in which investments are made, expressed as a percentage of all members of the management and control bodies)
- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons) (share of investments in companies involved in the production or sale of controversial weapons)
- Investments in companies without initiatives to reduce CO2 emissions (share of investments in companies that do not implement initiatives to reduce CO2 emissions in the sense of the Paris Agreement)
- No code of conduct for suppliers (share of investments in companies invested in that do not have a code of conduct for suppliers (to combat unsafe working conditions, precarious employment, child labour and forced labour))

In the decision-making process regarding investments, the aim is to understand as well as possible all the financially relevant risks and opportunities related to the investment. This also applies to principle adverse impacts. As a starting point, Aktia aim to form an understanding of how these sustainability effects affect the profitability and future prospects of the investment target, also taking into account the asset class and investment horizon in question at any given time. Information on the main adverse principal adverse impacts is utilized in portfolio management as part of the qualitative and quantitative analysis. Which PAI factors are considered depends on data availability and may evolve as data quality and availability improve. Fund's principal adverse impacts on sustainability factors have been identified based on materiality. Fund's PAI indicators include mandatory PAI indicators and additional PAI indicators.

As assessment methods, Aktia uses both its own tools (such as tool to examine transition companies or other internally developed tools) and

those developed by external service providers, which enable the identification and comprehensive examination of various principle adverse impacts and factors in the investment decision-making process. These tools are also used as part of the decision-making process to identify sustainability risks and main principal adverse impacts before investment decisions, and to report them after investments. Quantitative and qualitative analysis as part of the investment process, may also include analysing other aspects of negative impacts on sustainability than the specified PAI's, for example considering net impact data provided by Upright Project. The methods and tools used to identify these risks vary according to the regulatory definitions of sustainability risks and available data in force at any given time. The consideration of sustainability risks is also influenced by the investment horizon, goals and other regulations regarding the portfolio's investment universe. As the data coverage and quality by service providers will develop as companies develop their sustainability reporting and meet the requirements set by the regulation (e.g. SFDR, CSRD) Aktia can look into possibilities of incorporating more specific criteria (exclusion, baselines etc.) for PAI consideration that would also align with Aktia's business strategies overall. For example, Aktia's climate strategy, including carbon neutrality goal and climate strategy interim targets. Principal adverse impacts on sustainability factors are taken into account as part of the investment process as well as continuous monitoring of investments. Information will be presented in annual review regarding SFDR 11 article part 2 regulation.

Information on PAI is available in the annual report of the (Sub)Fund (annual reports as of 01.01.2023)

No



## What investment strategy does this financial product follow?

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

The fund is based on a transparent and stringent investment process. The entire process is characterised by an interdisciplinary cooperation of several competence teams of the contractual partner. In Aktia, investment decisions and portfolio management are based on overall, in-debt analysis and views of positive and negative factors, including ESG and impact. The analysis is based on the integration of sustainability aspects into the issuer analysis and the identification of the positive impact to sustainability themes.

In the disclosures on the asset allocation the minimum environmental or social safeguards applied to investments categorized as "Not sustainable" are explained.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The sustainability indicators, as described above, for measuring the attainment of each of the environmental and/or social characteristics promoted by the (Sub) Fund are the binding elements of the investment strategy of the (Sub) Fund.

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

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

The investment process of the fund states that the governance principles of companies the fund invests in are analyzed before investment and are monitored after investment. Good governance practice is analyzed according to Aktia's guidelines set in the principles of sustainable investment through ESG integration (evaluating sustainability factors) and norm based screening. Service provider's ESG data is used as part of our investment analysis to assess the DNSH principle and the requirements for the issuers to meet the minimum social safeguards and good corporate governance. Active ownership and engagement are also methods included in sustainable investment.

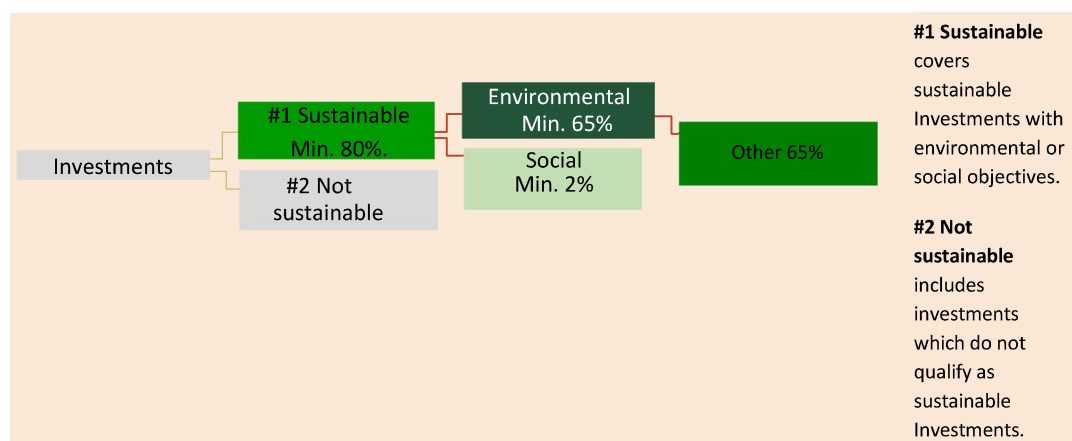


## What is the asset allocation and the minimum share of sustainable investments?

### Asset allocation

describes the share of investments in specific assets.

The asset allocation of the (Sub)Fund and the extent to which the (Sub) Fund has direct or indirect exposures in investee entities can be found in the investment strategy and the investment principles of the Prospectus. The minimum proportion of the (Sub) Fund 's investments that will be made to achieve the sustainable investment objective amounts to 80% of the value of the (Sub) Fund 's assets.



### ● *How does the use of derivatives attain the sustainable investment objective?*

Derivatives are used in accordance with the requirements of the investment principles of the Prospectus. Insofar as derivatives may be acquired, these do not explicitly serve to achieve the sustainable investment objectives of the (Sub)Fund and will be recorded under other, "not sustainable" investments. Derivatives may only be used to offset negative market fluctuations.

Taxonomy-aligned activities are 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 investee companies, e.g. for a transition to a green economy.
- **operational expenditures** (OpEx) reflecting the green operational activities of investee companies.



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

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

- **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>23</sup>?**

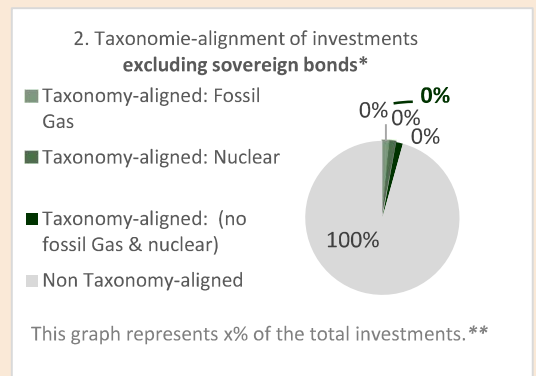
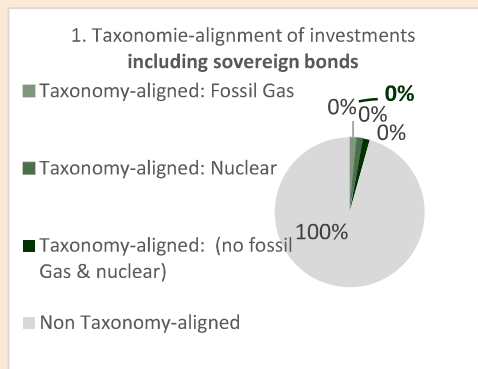
- Yes:
- In fossil gas       In nuclear energy
- No

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 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?**

Not applicable

<sup>23</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

\*\* As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.



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



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

There is a minimum share of sustainable investments with an environmental objective in the amount of 65%.



### **What is the minimum share of sustainable investments with a social objective?**

There is a minimum share of sustainable investments with a social objective in the amount of: 2%.



### **What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?**

Cash and derivatives for liquidity management.

For other investments that do not fall under the (sub-)fund's sustainability strategy, it is ensured that these are not used contrary to the sustainability strategy. Where derivatives may be acquired, these may only be used to offset negative market fluctuations.

### **Is a specific index designated as reference benchmark to meet sustainable investment objective?**



Not applicable

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

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

Not applicable

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

Not applicable.

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

Not applicable

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

Not applicable



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

**More product-specific information can be found on the website:**

<https://fondsfinder.universal-investment.com/api/v1/LU/LU2459309410/document/SRD/en>

## **Appendix I - Additional information for investors in the Federal Republic of Germany**

Additional information for investors in the Federal Republic of Germany concerning the public distribution of shares of the sub-funds "UI – Petrus Advisers Special Situations Fund UCITS" (share classes I and R), "UI - Aktia EM Frontier Bond+" (share classes R, I, IX, I AH, I USD), "UI - Aktia EM Local Currency Bond+" (share classes IX EUR) and "UI – Aktia Sustainable Corporate Bond Fund" (share classes I, IX, R, R (clean), R (Clean Distributing) of the investment company "UI".

### **FACILITY AGENT**

in the Federal Republic of Germany

Universal-Investment-Gesellschaft mbH

Theodor-Heuss-Allee 70

60486 Frankfurt am Main

**Since there are no shares issued as printed individual certificates, a Paying Agent has not been appointed in the Federal Republic of Germany.**

Redemption and conversion applications by shareholders in the Federal Republic of Germany may be submitted through their respective main bank, which will transmit the application via the usual settlement and clearing process to the Depository / Registrar and Transfer Agent of the Fund in the Grand Duchy of Luxembourg. All payments to shareholders in the Federal Republic in Germany (redemption proceeds as well as possible dividends and other payments) will also be cleared through the usual settlement process with their respective main bank, so that German shareholders will receive payments from it.

The current Sales Prospectus, Articles of Association, Key Investor Information Document (PRIIPs-KID), Annual and Semi-Annual Reports are available to shareholders free of charge in English language from the Management Company, Depository, Registrar and Transfer Agent and the Facility Agent for distribution to retail investors in the Federal Republic of Germany.

The agreements indicated under "Publications" above and the Management Company's Articles of Association are also available for inspection at the offices indicated above.

The offering and redemption prices and any notices for shareholders are published in the Federal Republic of Germany on the website [www.universal-investment.com](http://www.universal-investment.com). In those cases where such publication is required by German law (i.e. German Kapitalanlagegesetzbuch ("KAGB"), an additional publication of notices for shareholders is published in the electronic version of the German Federal Gazette ("Bundesanzeiger")."

### **Right of cancellation under § 305 KAGB**

If investment shares are purchased as a result of verbal negotiations outside the permanent business offices of the person selling the shares or acting as an intermediary for the sale, the buyer can cancel his declaration to purchase by sending a notice in text form of cancellation to the foreign management company within a period of two weeks (right of cancellation); this also applies if the person selling the shares or acting as an intermediary for the sale has no permanent business offices. In the case of a distance sale within the meaning of § 312b of the German Civil Code (Bürgerliches Gesetzbuch - BGB),



cancellation is not permitted if financial services are purchased whose price is subject to fluctuations on the financial market (§ 312g paragraph 2 sentence 1 number 8 BGB).

Sending the notice of cancellation within the allotted time period is deemed sufficient for compliance with the deadline. Written notice of cancellation must be sent to Universal-Investment-Luxembourg S.A., 15, rue de Flaxweiler, L-6776 Grevenmacher, Grand Duchy of Luxembourg, indicating the person making the cancellation and his or her signature. No reasons need to be provided for cancellation.

The cancellation period does not begin until a copy of the application to enter into a contract has been provided to the buyer or a bought note has been sent to him containing information advising the buyer of his right of cancellation as above.

If the beginning of the period is disputed, the burden of proof is on the seller.

The buyer has no right of cancellation if the seller proves that the buyer bought the shares as part of his business operations, or that he called on the buyer for the negotiations leading to the sale of the shares based upon a previously arranged appointment in accordance with § 55 paragraph 1 of the German Trade, Commerce and Industry Regulation Act (Gewerbeordnung - GewO).

If a cancellation has been made and the buyer has already made payments, the foreign management company is obligated to pay the buyer, concurrently with the retransfer of the purchased shares, if necessary, any expenses paid plus an amount equal to the value of the purchased shares on the day following receipt of the notice of cancellation.

The right of cancellation cannot be waived.

### **Investor rights**

Universal-Investment-Luxembourg S.A. has established a complaints office. Complaints can be addressed to Universal-Investment-Luxembourg S.A. both electronically and in writing.

Electronic complaints should be sent to the email address: [Beschwerdemanagement-ui-lux@universal-investment.com](mailto:Beschwerdemanagement-ui-lux@universal-investment.com). Written complaints should be sent to:

Universal-Investment-Luxembourg S.A.  
Complaints Department  
15, rue de Flaxweiler  
L-6776 Grevenmacher

Complaints may be written in German or English. The processing of complaints is free of charge for investors. The reply letter will be sent within one month after receipt of the complaint.

If the matter has not been resolved within one month of sending the complaint to Universal-Investment-Luxembourg S.A. or if no interim reply has been sent, it is possible to use the procedure for the out-of-court settlement of complaints with the Luxembourg financial supervisory authority 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 email ([reclamation@cssf.lu](mailto:reclamation@cssf.lu)).

A request for out-of-court settlement of a complaint with the CSSF is no longer admissible if more than one year has elapsed between the date of filing of the complaint with the CSSF and the original filing with Universal-Investment-Luxembourg S.A.

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 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 concerning the taxation of income from foreign investment funds for investors from the Federal Republic of Germany**

Investment fund under Luxembourg law  
Investment fund under Luxembourg law

The following information on taxation is not intended to provide or substitute legally binding tax advice and does not assert the claim to cover all relevant tax-related aspects which may be of importance in connection with the purchase, possession or sale of units in the Fund. The items listed are neither exhaustive nor do they take into account any individual circumstances of particular investors or investor groups.

#### General remarks

The statements concerning tax regulations rules apply only to investors who have unlimited tax liability within Germany. We recommend that foreign investors contact their own tax advisers prior to purchasing units in the Investment Fund described in this Sales Prospectus and obtain individual clarification regarding the possible tax-related consequences in their home country arising from the purchase of units.

The Investment Fund itself is only partially subject in Germany to corporation tax of 15% plus solidarity surcharge for specific domestic income. This income taxable in Germany includes domestic revenue from investments and other domestic income in line with the limited obligation to pay tax with the exception of gains from the sale of units in capital companies. Corporation tax is, however, discharged insofar as the income is subject in Germany to tax deduction; in this case, the 15% tax deduction already includes the solidarity surcharge. The Investment Fund is not, in principle, subject to trade tax in Germany.

The taxable income of the Investment Fund (investment income), i.e. Fund distributions, advance lump-sum amounts and gains from the disposal of units are subject to income tax for private investors as revenue from capital assets where this, combined with the investors' other capital gains, exceeds their flat-rate allowance. Income from capital assets is generally subject to a 25% withholding tax (plus solidarity surcharge, if necessary, and church tax, if relevant).

The tax for the private investor has, in principle, the effect of a tax at source (known as "flat-rate withholding tax"), so that the income from capital assets usually does not have to be included on the income tax return. In principle, when deducting the tax, the custodian will have already offset losses and foreign withholding taxes from direct investments. The withholding tax does not have the effect of a final payment, however, if the investor's personal tax rate is lower than the final withholding tax of 25%. In this case, the income from capital assets can be included on the income tax return. The tax authority then applies the lower personal tax rate and offsets the tax deduction against the tax liability (known as the "reduced-rate test").

Where income from capital assets has not been subject to taxation in Germany (for example, in the case of a foreign custody account), this must be included on the tax return. Within the tax assessment, any income from capital assets is then also subject to the final withholding tax of 25%, or else to the lower personal tax rate.

Despite taxation and the higher personal tax rate, information about the income from capital assets may be required if extraordinary expenses or itemised deductions (e.g. charitable donations) are claimed as part of the income tax return.

If the units are held in the operating assets, the investment income is treated as business revenue for tax purposes. In this case, the tax will not have the effect of a final payment; there is no offsetting of losses through the domestic custodian. The tax legislation requires a sophisticated review of the income components in order to determine the income which is taxable and/or liable for capital gains tax.

Units held as personal assets (residents for tax purposes)

#### Distributions

Fund distributions are in principle taxable. However, distributions can remain partially tax-exempt (partial exemption) if the Fund meets the requirements of the German Investment Tax Act for an equity fund or mixed fund. These requirements must arise from the investment conditions.

Taxable distributions are generally subject to a tax deduction of 25% (plus the solidarity surcharge, if necessary, and church tax, if relevant).

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

#### Advance lump-sum amounts

The advance lump-sum amount is the amount by which Fund distributions in a calendar year fall below the basic income for that calendar year. Basic income is calculated by multiplying the redemption price of the unit at the beginning of a calendar year by 70% of the basic interest rate derived from the long-term returns achievable from public bonds. Basic income is limited to the surplus arising between the first and last redemption price determined plus distributions during the calendar year. In the year the units are acquired, the advance lump-sum amount is reduced by a twelfth for each full month preceding the month of acquisition. The advance lump-sum amount is deemed accrued on the first working day of the following calendar year.

As a rule, advance lump-sum amounts are taxable. However, advance lump-sum amounts can remain partially tax-exempt (partial exemption) if the Fund meets the requirements of the German Investment Tax Act for an equity fund or mixed fund. These requirements must arise from the investment conditions.

Taxable advance lump-sum amounts are generally subject to a tax deduction of 25% (plus the solidarity surcharge, if necessary, and church tax, if relevant).

If an investor keeps units in a domestic custody account, the custodian (as the paying agent) will not deduct tax if, before the date of accrual, it receives an exemption order for a sufficient amount that has been issued in accordance with the official template or a non-assessment certificate issued by the tax authorities for a maximum period of three years. In this case, no tax will be paid. Otherwise, investors must make the amount of the tax to be paid available to the domestic institution maintaining their custody account. To this end, the custodian may withdraw the amount of the tax to be paid from an account held with it in the name of the investor without the investor's consent. Unless otherwise stipulated by the investor before the advance lump-sum amount accrues, the custodian may withdraw

the amount of the tax to be paid from one of the accounts in the name of the investor, insofar as an overdraft agreed with the investor for this account has not been utilised. If the investor has not complied with his obligation to make the amount of the tax to be paid available to the domestic custodian, the institution must report them to the competent tax authorities. In this case, the investor must include the advance lump-sum amount in his income tax return.

#### Capital gains at investor level

If units are sold to the Fund, the capital gains are in principle taxable and are generally subject to a tax deduction of 25% (plus solidarity surcharge, if necessary, and church tax if relevant). When determining the capital gains, the gains shall be reduced by the advance lump-sum amount set during the holding period.

However, capital gains can remain partially tax-exempt (partial exemption) if the Fund meets the requirements of the German Investment Tax Act for an equity fund or mixed fund. These requirements must arise from the investment conditions. Conversely, in the event of loss on disposal, the loss is not deductible from the amount of the partial exemption to be applied at investor level.

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

The taxation of capital gains also applies where the units sold are old units (i.e. units acquired before 1 January 2018). In addition, these old units are regarded as sold as at 31 December 2017 and repurchased as at 1 January 2018. The gains from this notional disposal as at 31 December 2017 are also, however, only subject to taxation as at the date of actual disposal. For old units, therefore, the gains to be taxed on the date of actual disposal will be determined in two parts. Value changes in old units occurring between the time of purchase and 31 December 2017 are taken into consideration when determining the notional capital gains as at 31 December 2017. In contrast, value changes in old units occurring from 1 January 2018 are taken into consideration when determining the gains from the actual disposal.

Old units acquired before the introduction of the flat-rate withholding tax, i.e. before 1 January 2009 are grandfathered units. For these grandfathered units, value changes occurring up to 31 December 2017 are tax-exempt. Value changes in old units occurring from 1 January 2018 are only taxable if the gains exceed EUR 100,000. This allowance can only be used if the gains are declared to the tax authorities with competence for the investor.

#### Change to applicable partial exemption

If the applicable partial exemption changes or the requirements for partial exemption no longer apply, the investment unit is regarded as sold and repurchased on the following day. Gains from the notional sale are regarded as accrued on the date on which the investment unit is actually sold.

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

##### Distributions

Fund distributions are in principle subject to income tax, corporation tax and trade tax. However, distributions can remain partially tax-exempt (partial exemption) if the Fund meets the requirements of the German Investment Tax Act for an equity fund or mixed fund. These requirements must arise from the investment conditions. For the purposes of trade tax, the tax-free amounts are halved.

Distributions are generally subject to a tax deduction of 25% (plus the solidarity surcharge, if necessary, and church tax, if relevant).

#### Advance lump-sum amounts

The advance lump-sum amount is the amount by which Fund distributions in a calendar year fall below the basic income for that calendar year. Basic income is calculated by multiplying the redemption price of the unit at the beginning of a calendar year by 70% of the basic interest rate derived from the long-term returns achievable from public bonds. Basic income is limited to the surplus arising between the first and last redemption price determined plus distributions during the calendar year. In the year the units are acquired, the advance lump-sum amount is reduced by a twelfth for each full month preceding the month of acquisition. The advance lump-sum amount is deemed accrued on the first working day of the following calendar year.

Advance lump-sum amounts are in principle subject to income tax, corporation tax and trade tax. However, advance lump-sum amounts can remain partially tax-exempt (partial exemption) if the Fund meets the requirements of the German Investment Tax Act for an equity fund or mixed fund. These requirements must arise from the investment conditions. For the purposes of trade tax, the tax-free amounts are halved.

Advance lump-sum amounts are generally subject to a tax deduction of 25% (plus the solidarity surcharge, if necessary, and church tax, if applicable).

#### Capital gains at investor level

Gains from the disposal of units are in principle subject to income tax, corporation tax and trade tax. When determining the capital gains, the gains shall be reduced by the advance lump-sum amount set during the holding period. However, capital gains can remain partially tax-exempt (partial exemption) if the Fund meets the requirements of the German Investment Tax Act for an equity fund or mixed fund. These requirements must arise from the investment conditions. For the purposes of trade tax, the tax-free amounts are halved.

Gains from the disposal of units are not generally subject to the deduction of capital gains tax.

In the event of loss on disposal, the loss is not deductible from the amount of the partial exemption to be applied at investor level.

#### Change to applicable partial exemption

If the applicable partial exemption changes or the requirements for partial exemption no longer apply, the investment unit is regarded as sold and repurchased on the following day. Gains from the notional sale are regarded as accrued on the date on which the investment unit is actually sold.

#### Reimbursement of corporation tax levied by capital gains tax deduction for the Fund

Capital gains tax (corporation tax) accruing at Fund level may be reimbursed to an investor if the investor is a domestic corporation, association of individuals or corporate fund which, according to its articles of association, act of formation or other by-laws and according to its effective management exclusively and directly serves charitable, non-profitable or religious purposes or is a foundation under public law that exclusively and directly serves charitable, non-profitable or religious purposes or is a legal entity under public law that exclusively and directly serves religious purposes; this does not apply if the units are held in a commercial business. The same applies to comparable foreign investors with registered offices and central management in a foreign state providing mutual assistance for the recovery of taxes.

The prerequisite for this is that such an investor makes a corresponding application and that the capital gains tax accruing is attributable pro rata to his holding period. In addition, the investor must be the owner under civil and commercial law for at least three months before the taxable income of the Fund accrues and there is no obligation to transfer the units to another person. Furthermore, reimbursement in respect of capital gains tax on German dividends and income from German near-equity participation rights accruing at Fund level essentially presupposes that German equities and

German near-equity participation rights are held by the Fund as the beneficial owner for an uninterrupted period of 45 days before and after the maturity date of the capital gains and that over these 45 days the risks of a change in the minimum value remains at a constant 70%.

Evidence of tax exemption and a statement on the investment units held issued by the custodian must be enclosed with the application. The statement on the investment units held is an official certificate drawn up on the extent of the units held continuously by the investor over the calendar year and the date and extent of unit acquisition and disposal over the calendar year.

Capital gains tax accruing at Fund level may be reimbursed by the Fund to an investor provided the units in the Fund are held on the basis of retirement or basic pension plans certified under the Pension Provision Agreements Certification Act. This presupposes that the provider of the retirement or pension plan advises the Fund within one month after its financial year-end of the dates and extent to which units were acquired or sold.

The Fund or company is not obliged to reimburse the relevant capital gains tax to the investor. Due to the high level of complexity of the regulations, it may be advisable to consult a tax adviser.

#### Liquidation tax

While the Fund is being liquidated, distributions only qualify as income to the extent that they include capital growth for a calendar year.

#### Solidarity surcharge

If necessary, a 5.5% solidarity surcharge is levied on the tax withheld upon distribution, advance lump-sum amounts and gains from the sale of units, provided that the relevant exemption limits are exceeded. The solidarity surcharge may be offset against the income and corporation tax.

#### Church tax

If income tax is already levied by a domestic custodian (entity deducting the tax), the applicable church tax – in accordance with the rate of the church tax for that religious community to which the individual liable for church tax belongs – is levied as a surcharge to the tax deduction. The deductibility of the church tax as an itemised deduction is already treated as reducing the tax payment.

#### Foreign withholding tax

Withholding tax on the Fund's foreign income is, in some cases, levied in the country of origin. This withholding tax cannot be used by investors to reduce the tax amount.

#### Consequences of merging investment funds

The merger of a domestic investment fund with another domestic investment fund in accordance with one of the provisions of the German Investment Tax Act does not result in the disclosure of hidden reserves, either at investor level or at the level of the investment funds involved; in other words, this process is tax-neutral. The investment funds must be subject to the same law of a foreign state providing mutual assistance for the recovery of taxes. If the investors in the absorbed investment fund receive a cash payment, this shall be treated in the same manner as a distribution.

#### Automatic exchange of information on tax matters

The significance of the automatic exchange of information to combat cross-border tax fraud and cross-border tax evasion has increased considerably in recent years. On behalf of the G20, the OECD published a global standard in 2014 on the automatic exchange of information on financial accounts in tax matters (Common Reporting Standard, hereinafter referred to as "CRS"). More than 90 states have signed up to the CRS (participating states) by means of a multilateral convention. Furthermore, in late 2014, it was incorporated into Directive 2011/16/EU by Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation. Participating states (all EU Member States and a number of third states) have in principle applied the CRS from 2016 with reporting obligations from 2017. Luxembourg incorporated the CRS into Luxembourg law through the Act of 18 December 2015 and has applied it since 2016.

The CRS requires reporting financial institutions (mainly credit institutions) to obtain specific information regarding their customers. Where the customers (natural persons or legal entities) are subject to reporting requirements and are resident in other participating states, their accounts and securities accounts are classified as reportable accounts. The reporting financial institutions transmit specific information for each reportable account to their domestic tax authorities. These in turn transmit the information to the customer's domestic tax authorities.

The information transmitted chiefly relates to personal data of reportable customers (name; address; tax identification number; date and place of birth (for natural persons); state of residence) and information on the customers and securities accounts (e.g. account number; account balance or account value; total gross income such as interest, dividends or distributions from investment funds; total gross proceeds from the disposal or redemption of financial assets (including fund units).

In concrete terms, those affected are reportable investors with an account and/or securities account at a credit institution established in a participating state. Therefore, Luxembourg credit institutions report information concerning investors resident in other participating states to the local tax authorities (Administration des Contributions Directes), which in turn forward the information to the relevant tax authorities of the investors' states of residence. Conversely, credit institutions in other participating states forward information concerning investors resident in Luxembourg to their respective domestic tax authorities.

Note:

The tax information is based on the legal position at present. It is intended for persons in Germany who are fully liable for income tax or corporation tax. However, no guarantee can be given that the tax assessment will not alter as a result of legislation, court decisions or orders issued by the tax authorities.

## Appendix II - Additional information for investors in the United Kingdom

This collective investment scheme is recognised under section 264 of the Financial Services and Markets Act 2000 (the FSMA) and this Prospectus is available to the general public in the United Kingdom. Potential investors in the United Kingdom are advised that most, if not all, of the protections provided by the United Kingdom regulatory system generally and for UK authorised funds do not apply to recognised funds such as this collective investment scheme. In particular, investors should note that holdings of Shares in the fund will not be covered by the provisions of the Financial Services Compensations Scheme.

Facilities are maintained at the office Facilities Agent at:

Zeidler Legal Services Ltd

The Print Rooms

164-180 Union Street

London SE1 0LH

United Kingdom

(the “**UK Facilities Agent**”)

- a) where information in English can be obtained about the most recently published Redemption and Issue Prices of Shares;
- b) where an investor in the fund may redeem or arrange for the redemption of Shares and from which payment of the price on redemption may be obtained; and
- c) at which any person who has a complaint to make about the operation of the collective investment scheme can submit his complaint for transmission to the Management Company.

Copies of the following documents in English are available for inspection at the office of Zeidler Legal Services (UK) Limited:

- d) the most recent Prospectus;
- e) the most recent key investor information document(s);
- f) the most recently prepared and published annual reports and half-yearly reports;
- g) the Articles of Incorporation; and
- h) any resolutions amending the Articles of Incorporation.

The documents listed above are obtainable for an inspection free of charge or copies free of charge, in the case of the documents at a), b) and c) and otherwise at no more than a reasonable charge.

Where applicable, we would obtain “Reporting Fund” status from HM Revenue & Customs in the United Kingdom under the Offshore Funds (Tax) Regulations 2009 (“the Regulations”). The Regulations require us to inform investors of the amount of income per Share earned by the fund during the most recent annual period (referred to as “reportable income”). UK Investors may need this information when preparing their income tax returns and can obtain the report from our web site [www.universal-investment.com](http://www.universal-investment.com). Please contact your accountant/tax adviser for advice on how to report these amounts to HM Revenue & Customs. If you have any queries please do not hesitate to contact your usual Universal representative.



## **Appendix III - Additional information for investors in Switzerland**

### **Representative**

The representative in Switzerland is 1741 Fund Solutions AG, Burggraben 16, CH-9000 St. Gallen.

### **Paying Agent**

The paying agent in Switzerland is Tellco AG, Bahnhofstrasse 4, CH-6430 Schwyz.

### **Location where the relevant documents may be obtained**

The Sales Prospectus including the Articles of Incorporation, the Key Investor Information document (PRIIPs-KID) and the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland (Tel.: 0041 (058) 458 48 00).

### **Publications**

1. Publications concerning the foreign collective investment scheme are made in Switzerland on the electronic platform of FE fundinfo Limited ([www.fundinfo.com](http://www.fundinfo.com)).
2. Each time units/shares are issued or redeemed, the issue and the redemption prices or the net asset value together with a reference stating "excluding commissions" must be published for all unit classes on the electronic platform of FE fundinfo Limited ([www.fundinfo.com](http://www.fundinfo.com)). Prices must be published daily.

### **Payment of retrocessions and rebates**

The Management Company or the Fund and its agents may pay retrocessions as remuneration for distribution activity in respect of fund units in Switzerland. This remuneration may be deemed payment for the following services in particular:

- transfer of fund units/shares;
- service by the relevant order agent (bank, platform or equivalent)

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the Investors.

Disclosure of the receipt of retrocessions is based on the applicable provisions of FinSA.

In the case of distribution activity in Switzerland, the Management Company or the Fund and its agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the Investor in question. Rebates are permitted provided that

- they are paid from fees received by the Management Company or the Fund and therefore do not represent an additional charge on the fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Management Company or the Fund are as follows:

- the volume subscribed by the investor or the total volume they hold in the collective investment scheme or, where applicable, in the product range of the promoter;
  - the amount of the fees generated by the investor;
  - the investment behavior shown by the investor (e.g. expected investment period);
-

- the investor's willingness to provide support in the launch phase of a collective investment scheme.

At the request of the investor, the Management Company or the Fund must disclose the amounts of such rebates free of charge.

**Place of performance and jurisdiction**

In respect of the units/shares offered in Switzerland, the place of performance is the registered office of the representative. The place of jurisdiction is at the registered office of the representative or at the registered office or place of residence of the investor.

## **Appendix IV - Additional information for investors in Ireland**

**This Country Supplement, dated \*\*\* 2023, form part of, and should be read in the context of, and in conjunction with, the prospectus for the SICAV dated \*\*\* 2023.**

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

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

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

The SICAV is an open-ended investment fund, incorporated under the laws of Grand Duchy of Luxembourg as a société d'investissement à capital variable ("**SICAV**") in accordance with the provisions of Part I of the UCI Law and qualifies as a UCITS.

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

### **FACILITIES AGENT**

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

1. The following documents relating to the SICAV will be available to shareholders for inspection without charge, during regular business hours at the registered office of the Facilities Agent.
  - (i) the Prospectus, as amended;
  - (ii) the Key Investor Documents ("PRIIPs-KIDs");
  - (iii) the most recent annual and half-yearly reports of the Fund;
  - (iv) the Articles of Incorporation.
  
2. The Facilities Agent will carry out the following tasks:

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

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

### **Taxation**

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

## **Appendix V - Additional information for Austrian Investors**

### ***Facility in Austria***

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

Erste Bank der oesterreichischen Sparkassen AG

Am Belvedere 1,

A-1100 Vienna/Austria

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