**SALES PROSPECTUS**

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# HESPER FUND

## (SOCIÉTÉ D'INVESTISSEMENT À CAPITAL VARIABLE)

R.C.S. B 234859

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Management Company:

**ETHENEA Independent Investors S.A. (société anonyme)**

Depositary:

**DZ PRIVATBANK S.A. (société anonyme)**

As at: 01.01.2023

# Contents

**Management, distribution and advisory services**

**Investment Company**

**HESPER FUND, SICAV**
4, rue Thomas Edison
L-1445 Strassen

**Board of Directors of the Investment Company**

Chair of the Board of Directors:
Arnoldo Valsangiacomo
ETHENEA Independent Investors S.A.

Member of the Board of Directors:
Andrea Siviero
ETHENEA Independent Investors (Schweiz) AG

Member of the Board of Directors:
Frank Hauprich
ETHENEA Independent Investors S.A.

**Auditor of the Investment Company**

Ernst & Young S.A. (société anonyme)
35E, avenue John F. Kennedy
L-1855 Luxembourg

**Management Company**

ETHENEA Independent Investors S.A.
16, rue Gabriel Lippmann
L-5365 Munsbach

Equity capital as at 31 December 2021: EUR 1,000,000

**Board of Directors of the Management Company (management body)**

**Chairman of the Board of Directors**:
Thomas Bernard
ETHENEA Independent Investors S.A.

**Members of the Board of Directors**:
Skender Kurtovic
ETHENEA Independent Investors S.A.

Nikolaus Rummler
IPConcept (Luxemburg) S.A. (société anonyme)

**Managing Directors of the Management Company**

Thomas Bernard
Frank Hauprich
Josiane Jennes

***Auditor of the Management Company***

Ernst & Young S.A. **(société anonyme)**
35E, avenue John F. Kennedy
L-1855 Luxembourg

**Depositary**

**DZ PRIVATBANK S.A.**
4, rue Thomas Edison
L-1445 Strassen

**Central Administration Agent**
**Registrar and Transfer Agent**

**DZ PRIVATBANK S.A.**
4, rue Thomas Edison
L-1445 Strassen

**Fund Manager**

**ETHENEA Independent Investors (Schweiz) AG**
Sihleggstraße 17
CH-8832 Wollerau

***Paying agent***

Grand Duchy of Luxembourg

**DZ PRIVATBANK S.A.**
4, rue Thomas Edison
L-1445 Strassen

The investment company described in this Sales Prospectus (consisting of the Sales Prospectus, the Articles of Association and the Annex specific to each sub-fund, referred to jointly as the "Sales Prospectus") is a Luxembourg investment company (société d'investissement à capital variable) in the form of an umbrella fund ("Investment Company" or "Fund") in accordance with Part I of the latest version of the Luxembourg Law of 17 December 2010 on undertakings for collective investment in transferable securities (the "Law of 17 December 2010").

The Sales Prospectus is only valid in conjunction with the most recently published annual report, if available, which must not be more than 16 months old. If the annual report is older than eight months, the buyer will also be provided with the semi-annual report. The currently valid Sales Prospectus and the "Key Investor Information Document" shall form the legal foundation for the purchase of shares. In purchasing shares, the shareholder acknowledges the Sales Prospectus, the "Key Investor Information Document" and any approved amendments published thereto.

The shareholder will be provided with the "Key Investor Information Document" at no charge and on a timely basis prior to the acquisition of sub-fund shares.

The Fund was launched by ETHENEA Independent Investors S.A., with its registered office at 16, rue Gabriel Lippmann, L-5365 Munsbach.

No information or explanations at variance with the Sales Prospectus or the "Key Investor Information Document" may be given. Neither the Management Company nor the Investment Company shall be liable if any information or explanations are given which deviate from the terms of the current Sales Prospectus or the "Key Investor Information Document".

The Sales Prospectus and the "Key Investor Information Document" as well as the relevant annual and semi-annual reports from the Investment Company are available on a durable medium free of charge at the registered office of the Investment Company, the Management Company, the Depositary, the paying agents/information agents and any sales agent.

The Sales Prospectus and the "Key Investor Information Document" may also be downloaded from the Management Company website www.ethenea.com. Upon request by the shareholder, these documents will also be provided in hard copy.

For further information, please see the section entitled "Information for shareholders".

As from 1 January 2023, the Key Investor Information Document will be replaced by the Key Investor Information Document for packaged retail and insurance-based investment products (PRIIP).

**Sales Prospectus**

The Investment Company described in this Prospectus is managed by ETHENEA Independent Investors S.A. ("Management Company").

This Sales Prospectus includes at least one annex specific to the sub-funds and the Articles of Association. The Prospectus, the Articles of Association of the Investment Company and the relevant annexes shall form an integral whole and shall complement each other.

**The Investment Company**

The Investment Company is a public limited company with variable capital (société d'investissement à capital variable in form of a société anonyme) under the law of the Grand Duchy of Luxembourg with its registered office located at 4, rue Thomas Edison, L-1445 Strassen.

It was founded on 14 May 2019 for an indefinite period in the form of an umbrella fund. The Articles of Association were published for the first time on the *Recueil électronique des sociétés et associations* ("RESA") platform of the Trade and Companies Register in Luxembourg on 5 June 2019. Amendments to the Articles of Association of the Investment Company last came into effect on 1 January 2020 and were published in RESA. The Investment Company is entered in the Luxembourg Trade and Companies Register (R.C.S. Luxembourg) under registration number B 234859.

The Investment Company's financial year ends on 31 December of each year, with the first financial year ending on 31 December 2019.

Upon foundation, the Investment Company's capital amounted to EUR 31,000, divided into 310 shares of no par value (initial issue price of the share class EUR 100 per share) and will at all times be equal to the net asset value of the Investment Company. In accordance with the Law of 17 December 2010, the capital of the Investment Company must reach an amount of at least EUR 1,250,000 within six months of its registration by the Luxembourg supervisory authority.

The exclusive purpose of the Investment Company is the investment in securities and/or other permissible assets in accordance with the principle of risk diversification pursuant to Part I of the Law of 17 December 2010, with the aim of achieving a reasonable performance for the benefit of the shareholders by following a specific investment policy.

The Board of Directors of the Investment Company has been authorised to carry out all transactions and all acts that are necessary or beneficial to fulfil the Company's purpose. The Board of Directors is responsible for all matters concerning the Investment Company, unless specified in the Law of 10 August 1915 concerning commercial companies (including amendments) or the Articles of Association of the Investment Company as being reserved for the shareholders' meeting.

The Board of Directors of the Investment Company transferred the management function in accordance with amended Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) ("Directive 2009/65/EC") to the Management Company.

**The Management Company**

The Board of Directors of the Investment Company has entrusted the Management Company **ETHENEA Independent Investors S.A.**, a public limited company under the law of the Grand Duchy of Luxembourg with its registered office at 16, rue Gabriel Lippmann, L-5365 Munsbach, with management of the assets, administration and the sale of shares of the Investment Company. The Management Company was established on 10 September 2010 for an indefinite period. Its Articles of Association were first published in the Mémorial on 15 September 2010. The most recent amendment to the Articles of Association entered into force on 01 January 2015 and was published in the Mémorial on 13 February 2015. The Management Company is entered in the Luxembourg Trade and Companies Register under registration number R.C.S. Luxembourg B 155427. The financial year of the Management Company ends on 31 December of each year. The equity capital of the Management Company amounted to EUR 1,000,000 on 31 December 2021.

The purpose of the Management Company is to establish and manage Luxembourg undertakings for collective investment in transferable securities permitted under Directive 2009/65/EC and amendments thereto ("Directive 2009/65/EC") as well as other undertakings for collective investment that do not fall under Directive 2009/65/EC and for which the Management Company is subject to supervision.

The Management Company complies with the requirements of amended Directive 2009/65/EC of the European Parliament and of the Council on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS).

The Management Company is responsible for the management, administration and distribution of the Investment Company. Acting for the account of the Investment Company, it may take all administrative measures and exercise all rights directly or indirectly connected with the Company's assets.

The Management Company acts honestly, fairly, professionally and independently of the Depositary and solely in the interests of the shareholders when carrying out its tasks.

The Management Company fulfils its obligations with the care of a paid authorised agent (mandataire salarié).

The Board of Directors of the Management Company has appointed Frank Hauprich, Thomas Bernard and Josiane Jennes as Managing Directors and transferred all management responsibilities to them.

In addition to the Fund described in this Sales Prospectus, the Management Company also currently manages the following investment funds: Ethna-AKTIV, Ethna–DEFENSIV, Ethna–DYNAMISCH and Ethna SICAV.

The Management Company is entitled to outsource its activities to a third party, under its own responsibility and control. The delegation of duties must not impair the effectiveness of supervision by the Management Company in any way. In particular, the delegation of duties must not prevent the Management Company from acting in the interests of shareholders.

In connection with the management of the assets of the relevant sub-fund, the Management Company may consult an investment adviser/fund manager under its own responsibility and control. The Investment Adviser/Fund Manager receives payment for the service provided either from the management fee of the Management Company or directly from the relevant sub-fund assets. The relevant percentage amount, as well as calculation and payment methods for each sub-fund, can be found in the relevant Annex to the Sales Prospectus.

Investment decisions, the placement of orders and the selection of brokers are solely the responsibility of the Management Company, insofar as no fund manager has been assigned to these tasks within the framework of managing the Fund's assets.

**The Fund Manager**

The Management Company has appointed ETHENEA Independent Investors (Schweiz) AG, a stock corporation under Swiss law with its registered office at Sihleggstrasse 17, CH-8832 Wollerau, as the fund manager of the Investment Company and its sub-funds and has delegated investment management to it. The Fund Manager is authorised to manage investment fund assets and is subject to corresponding supervision.

The role of the Fund Manager is, in particular, the independent daily implementation of the sub-fund's investment policy and management of day-to-day operations connected with asset management, as well as other related services under the supervision, responsibility and control of the Management Company. It must perform these tasks in line with the principles of the investment policy and investment restrictions of the respective sub-fund, as described in this Sales Prospectus, as well as the statutory investment restrictions.

The Fund Manager is authorised to select brokers and traders to carry out transactions using the sub-fund's assets. The Fund Manager is responsible for investment decisions and placing orders.

The Fund Manager is entitled to consult third parties at its own expense and under its own responsibility.

With the approval of the Management Company, the Fund Manager is permitted to delegate some or all of its primary duties to third parties, whose remuneration will be borne by the Fund Manager. In this case, this Sales Prospectus shall be amended accordingly.

The Fund Manager bears all expenses incurred by it in connection with the services it provides. Commissions for brokers, transaction fees and other transaction costs arising in connection with the purchase and sale of assets are borne by the sub-fund.

**Depositary and Luxembourg paying agent**

The sole Depositary of the Fund is DZ PRIVATBANK S.A., with its registered office at 4, Rue Thomas Edison, L-1445 Strassen, Luxembourg. The Depositary will also provide paying agent services to the Company.

The Depositary is a public limited company (*Aktiengesellschaft*) pursuant to the law of the Grand Duchy of Luxembourg and conducts banking business. The rights and obligations of the Depositary are governed by the Law of 17 December 2010, the applicable regulations, the depositary agreement, Articles of Association and this Sales Prospectus. It acts honestly, fairly, professionally and independently of the Management Company and solely in the interest of the shareholders.

Pursuant to Article 37 of the Articles of Association, the Depositary may delegate some of its duties to third parties (“sub-custodians”).

An up-to-date overview of sub-custodians can be found on the Management Company's website (www.ethenea.com) or requested free of charge from the Management Company.

Upon request, the Management Company will provide shareholders with the latest information regarding the identity of the Fund's depositary, the Depositary’s obligations and any conflicts of interest that could arise and with a description of all depositary functions transferred by the Depositary, the list of sub-custodians and information on any conflicts of interest that could arise from the transfer of functions.

The appointment of the Depositary and/or sub-custodians may cause potential conflicts of interest, which are described in more detail in the section entitled “Potential conflicts of interest”.

**Central Administration Agent, Registrar and Transfer Agent**

The Registrar and Transfer Agent of the Fund is DZ PRIVATBANK S.A., with its registered office at 4, rue Thomas Edison, L-1445 Strassen, Luxembourg. The Registrar and Transfer Agent is a public limited company (*Aktiengesellschaft*) pursuant to the law of the Grand Duchy of Luxembourg. The duties of the Registrar and Transfer Agent include the processing of applications and execution of orders for the subscription, redemption, exchange and transfer of units, as well as the keeping of the unit register.

The Central Administration Agent of the Fund is DZ PRIVATBANK S.A., with its registered office at 4, rue Thomas Edison, L-1445 Strassen, Luxembourg. The Central Administration Agent is a public limited company (*Aktiengesellschaft*) pursuant to the law of the Grand Duchy of Luxembourg and its duties include, in particular, accounting and bookkeeping, calculating the unit value and drawing up annual reports. Under its own responsibility and control, the Central Administration Agent has delegated various administrative tasks (e.g. the calculation of net asset values) to **Attrax Financial Services S.A.** (société anonyme) with its registered office at 308, route d'Esch, L-1471 Luxembourg.

**Legal position of shareholders**

The Management Company invests money paid into each sub-fund on behalf of and for the account of the relevant sub-fund in keeping with the principle of risk diversification in transferable securities and/or other legally permissible assets pursuant to Article 41 of the Law of 17 December 2010. The funds invested and the assets acquired thereby constitute the respective sub-fund assets, which are held separately from the Management Company's own assets.

The shareholders are co-owners of the sub-fund's assets in proportion to their number of shares. The shares of the respective sub-fund shall be issued in the certificates and denominations stated in the Annex specific to the sub-fund. If registered shares are issued, these are documented by the Registrar and Transfer Agent in the share register kept on behalf of the Investment Company. Confirmation of entry in the share register shall be sent to the shareholders at the address specified in the share register. Investors are not entitled to the delivery of physical certificates.

In principle, all shares in a sub-fund have the same rights, unless the Investment Company decides to issue different share classes within the same sub-fund pursuant to Article 11(5) of the Articles of Association.

The Investment Company asks investors to note that they can directly assert all of their investor rights in relation to the Fund or sub-funds (particularly the right to participate in shareholders' meetings) only if they are registered in the share register for the Fund or sub-funds under their own name. In cases where a shareholder has invested in a fund or sub-fund through an intermediary which undertakes investments in its name but on behalf of the shareholder, said shareholder cannot directly assert all his rights unconditionally with regard to the Fund and/or sub-fund. Shareholders are advised to seek information regarding their rights.

**General information on trading in sub-fund shares**

Investment should be regarded as a medium to long-term commitment.

Market timing is understood to mean the technique of arbitrage whereby a shareholder systematically subscribes to, exchanges and redeems shares in the respective sub-fund within a short period by exploiting time differences and/or the imperfections or weaknesses in the valuation system for calculating the sub-fund’s net asset value. The Management Company takes the appropriate protection and/or control measures to avoid such practices.

It also reserves the right to reject, cancel or suspend an order from a shareholder for the subscription or exchange of units if the shareholder is suspected of engaging in market timing.

The Management Company strictly opposes the purchase or sale of shares after the close of trading at already established or foreseeable closing prices (“late trading”). The Management Company ensures that shares will be issued and redeemed on the basis of a net asset value per share previously unknown to the shareholder. If, however, a shareholder is suspected of engaging in late trading, the Management Company may reject the subscription or redemption order until the applicant has cleared up any doubts with regard to his order.

The possibility cannot be ruled out that shares of the respective sub-fund may be traded on an official stock exchange or on other markets.

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

**General provisions of investment policy**

The objective of the investment policy of the relevant sub-fund is to achieve an appropriate level of capital appreciation in the relevant sub-fund currency or share class currency (as the case may be) as defined in the relevant Annex to the Prospectus. Details of the investment policy of each sub-fund are described in the relevant Annexes to this Sales Prospectus.

The general investment principles and restrictions specified in Article 4 of the Articles of Association apply to all sub-funds, insofar as no derogations or supplements are contained in the relevant Annex to this Sales Prospectus for the respective sub-fund.

The respective sub-fund assets are invested pursuant to the principle of risk diversification within the meaning of the provisions of Part I of the Law of 17 December 2010 and in accordance with the investment policy principles and investment restrictions specified in Article 4 of the Articles of Association.

**Information on derivatives and other techniques and instruments**

In accordance with the general provisions governing the investment policy referred to in Article 4 of the Articles of Association, to achieve the investment objectives and ensure efficient portfolio management the Management Company for the relevant sub-fund may make use of derivatives, securities financing transactions and other techniques and instruments that correspond to the investment objectives of the sub-fund. The counterparties and/or financial counterparties (as defined in Article 3(3) of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 ("SFT")) to the aforementioned transactions must be institutions subject to prudential supervision and have their registered office in an EU member state, another signatory state to the EEA Treaty or a third country whose supervisory provisions are considered by the Commission de Surveillance du Secteur Financier ("CSSF") to be equivalent to those of EU law. The counterparty or the financial counterparty must have at least one rating in the investment grade range, which may be waived, however, in justified exceptions. This may be the case, for example, if the counterparty or the financial counterparty falls under this rating after selection. In this case, the Management Company will conduct a separate audit. They must also specialise in this type of transaction. When selecting counterparties and financial counterparties for securities financing transactions and total return swaps, criteria such as legal status, country of origin and credit rating of the counterparty are taken into account. Details can be viewed free of charge on the Management Company's website referred to in the section entitled "Information for shareholders". The possibility cannot be ruled out that the counterparty or financial counterparty is a company affiliated with the Management Company or the Fund Manager / Investment Adviser. In this context, please see the chapter "Potential conflicts of interest". Derivatives and other techniques and instruments 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 some derivatives, techniques and instruments that can be used for the sub-fund:

**1. Option rights**

An option right is a right to buy ("call option") or sell ("put option") a particular asset at a predetermined time ("exercise date") or during a predetermined period at a predetermined price ("strike price"). The price of a call or put option is the option premium.

Both call and put options may be bought or sold for the sub-fund, insofar as it is permitted to invest in the underlying assets according to its investment policy as described in the Annex.

**2. Financial futures contracts**

Financial futures contracts are unconditionally binding agreements for both contracting parties to buy or sell a certain amount of a certain base value at a pre-determined time (maturity date) at a price agreed in advance.

Financial futures contracts may only be entered into for the sub-funds of the Investment Company if the sub-funds in question are permitted by the investment policy as described in the Annex to invest in the underlying assets.

**3. Derivatives embedded in financial instruments**

Financial instruments with embedded derivatives may be acquired for the sub-funds, provided that the underlying securities are instruments within the meaning of Article 41(1) of the Law of 17 December 2010 or are financial indices, interest rates, foreign exchange rates or currencies, for example. Financial instruments with embedded derivatives may consist of, for example, structured products (certificates, reverse convertible bonds, warrant-linked bonds, convertible bonds, credit linked notes, etc.) or warrants. The main feature of products included under "Derivatives embedded in financial instruments" is that the embedded derivative components generally affect the payment flows for the entire product. Alongside risk characteristics of transferable securities, the risk characteristics of derivatives and other techniques and instruments are also decisive.

Structured products may be used on the condition that they are transferable securities within the meaning of Article 2 of the Grand-Ducal Regulation of 8 February 2008.

**4. Securities financing transactions**

Securities financing transactions include, for example:

- Securities lending transactions
- Repurchase agreements

**4.1 Securities lending**

No securities lending transactions shall be entered into for the sub-funds of the Investment Company. Consequently, no return that can be split by securities financing transactions is generated.

**4.2 Repurchase agreements**

No repurchase agreements shall be entered into for the sub-funds of the Investment Company.

**5. Forward exchange contracts**

The Management Company or a fund manager appointed by it may enter into forward exchange contracts for the sub-funds of the Investment Company.

Forward exchange contracts are unconditionally binding agreements for both contracting parties to buy or sell a certain amount of the underlying foreign currencies at a certain time (maturity date) at a price agreed in advance.

**6. Swaps**

The Management Company or a fund manager appointed by it may enter into swap transactions for the account of the sub-fund's assets within the framework of the investment principles.

A swap is a contract between two parties based on the exchange of payment flows, assets, income or risk. Swap transactions can take a number of forms, including but not limited to interest rate, currency, equity and credit default swap transactions.

An interest 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 with the adding of funds at a fixed interest rate and the simultaneous allocation of funds at a variable interest rate, with the nominal sums of the assets not being swapped.

Currency swaps usually consist of the swapping of nominal sums of assets. They can be compared to borrowing in one currency and simultaneously lending in another.

Asset swaps, also known as “synthetic securities”, are transactions that convert the yield from a particular asset into another rate of interest (fixed or variable) or into another currency, by combining the asset (e.g. bond, floating-rate note, bank deposit, mortgage) with an interest 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, where at least one of the exchanged payment flows or incomes from an asset represents a share or a share index.

The contracting parties may not exert any influence on the composition or management of the UCITS' investment portfolio or the underlying assets of the derivatives. Transactions in connection with the UCITS' investment portfolio do not require the consent of the counterparty.

a) Total return swaps or other derivatives with the same features

The Management Company will not enter into total return swaps or other derivatives with the same features on behalf of the respective sub-fund.

**7. Swaptions**

A swaption is the right, but not the obligation, to enter into a swap, the conditions of which are clearly specified, at a given time or within a given period. In addition, the principles listed in connection with option dealing apply.

**8. Techniques for the management of credit risks**

The Management Company may also use credit default swaps (“CDS”) for the respective sub-funds to ensure the efficient management of the respective sub-fund assets.

Within the market for credit derivatives, a CDS represents the most widespread and the most quantitatively significant instrument. A CDS enables the credit risk to be separated from the underlying financial relationship. This separate trading of default risks extends the range of possibilities for systematic risk and income management. With a CDS, a protection buyer can hedge against certain risks arising from a debtor-creditor relationship by paying a periodic premium (calculated on the basis of the nominal amount) for transferring the credit risk to a protection seller for a defined period. This premium depends, among other things, on the quality of the underlying reference debtor(s) (i.e. credit risk). The transferred risks (e.g. risks of default) are defined in advance as so-called credit events. As long as no credit event occurs, the CDS seller does not have to render a performance. If a credit event occurs, the seller pays the predefined amount (such as the par value or an adjustment payment equalling the difference between the par value of the reference assets and their market value) after the credit event occurs (“cash settlement”). The buyer then has the right to tender an asset of the reference debtor which is qualified in the agreement, whilst the buyer's premium payments are stopped as of this point. The sub-fund can act either as the protection buyer or protection seller.

CDS are traded over the counter (OTC market), such that more specific, non-standard requirements of both counterparties can be addressed – at the price of lower liquidity.

The commitment resulting from the obligations arising from the CDS must not only be in the exclusive interests of the sub-fund, but must also accord with its investment policy. For the purpose of the investment limits in accordance with Article 4 of the Articles of Association, both the assets underlying the CDS and the particular issuer must be taken into account.

A CDS is valued on a regular basis using verifiable and transparent methods. The Management Company and the auditor will monitor the verifiability and transparency of the valuation methods. The Management Company will rectify any differences ascertained as a result of the monitoring procedure.

**9. Remarks**

The use of techniques and instruments for efficient portfolio management may give rise to various direct/indirect costs, which are charged to the relevant sub-fund's assets or reduce the respective sub-fund's assets. These costs may be incurred both in relation to third parties and parties associated with the Management Company or Depositary.

The above-mentioned techniques and instruments can, where appropriate, be supplemented by the Management Company or a fund manager appointed by it if new instruments corresponding to the investment objective are offered on the market, which the respective sub-fund may employ in accordance with the prudential supervisory and statutory provisions.

**Risk information**

**General market risk**

The assets in which the Management Company or fund manager appointed by it invests for the account of the sub-fund are associated with risks as well as opportunities for growth in value. If the sub-fund invests directly or indirectly in transferable securities and other assets, it is subject to the general trends and tendencies of the markets, particularly the securities markets, which are attributable to diverse and also partially irrational factors. Losses can occur if the market value of the assets decreases compared to the cost price. If the shareholder sells shares of the sub-fund at a time when the market price of the sub-fund's assets has decreased compared with the time of the share purchase, he will not get back the money he has invested in the sub-fund to the full amount. Despite the fact that each sub-fund aims to achieve constant growth, this cannot be guaranteed. However, the shareholder’s risk is limited to the amount invested. Shareholders are not obliged to provide any supplementary funding in addition to the money invested.

**Interest rate risk**

Investing in fixed-rate transferable securities is associated with the possibility that the interest rate at the time of issuance of a security might change. If the interest rate increases compared to the interest at the time of issue, fixed-rate transferable securities will generally decrease in value. In contrast, if the interest rate falls, the price of fixed-rate transferable securities increases. These developments mean that the current yield of fixed-rate transferable securities roughly corresponds to the current interest rate. However, such fluctuations can vary depending on the maturity of the fixed-rate transferable securities. On the one hand, fixed-rate transferable securities with short maturities bear lower price risks than fixed-rate transferable securities with long maturities. On the other hand, fixed-rate transferable securities with short maturities generally have smaller yields than fixed-rate transferable securities with long maturities.

**Risk of negative deposit rates**

The Management Company invests the liquid assets of the sub-fund with the Depositary or other financial institutions on behalf of the sub-fund. An interest rate is agreed for some of these bank balances that corresponds to international interest rates, less an applicable margin. If these interest rates fall below the agreed margin, this leads to negative interest rates on the corresponding account. Depending on the development of the interest rate

policy of each of the central banks, short, medium and long-term bank balances may all generate a negative interest rate at banks.

**Credit risk**

The creditworthiness of the issuer (its ability and willingness to pay) of a transferable security or money market instrument held directly or indirectly by the sub-fund may subsequently decline. This normally leads to a fall in the price of the respective asset that exceeds general market fluctuations.

**Company-specific risk**

The performance of the transferable securities and money market instruments held directly or indirectly by the sub-fund also depends on company-specific factors, such as the business situation of the issuer. If the company-specific factors deteriorate, the market value of a given asset may fall substantially and permanently, even if stock market developments are otherwise generally positive.

**Default risk**

The issuer of a transferable security held directly or indirectly by the sub-fund or the debtor of a claim belonging to the sub-fund may become insolvent. The corresponding assets of the sub-fund may become worthless as a result of this.

**Counterparty risk**

In the case of transactions not conducted via a stock exchange or a regulated market (OTC transactions) or securities financing transactions, there is, in addition to the default risk, the risk that the counterparty to the transaction may fail to meet its obligations or fail to do so to the fullest extent. This applies in particular to transactions that use techniques and instruments. In order to reduce the counterparty risk associated with OTC derivatives and securities financing transactions, the Management Company is authorised to accept collateral. This shall be carried out in accordance with the requirements of ESMA Guidelines 2014/937. Collateral may take the form of cash, government bonds, bonds issued by a public international body belonging to one or more EU member states or covered bonds. Collateral received in the form of cash may not be re-invested. All other collateral received is neither sold, reinvested nor pledged. The Management Company gradually applies haircuts for the collateral received taking into account the specific characteristics of the collateral and the issuer (a “haircut strategy”). Details of the minimum haircuts applied depending on the type of collateral are shown in the following table:

| Collateral | Minimum haircut |
|---|---|
| Cash (Fund currency) | 0% |
| Cash (foreign currencies) | 0% |
| Government bonds (term of less than a year) | 0% |
| Government bonds (term of more than a year) | 0.50% |
| Bonds issued by public international bodies belonging to one or more EU Member States and covered bonds. | 0.50% |

Further details of the haircuts applied may be requested from the Management Company free of charge at any time.

Collateral received by the Management Company within the framework of OTC derivatives and securities financing transactions must, inter alia, meet the following criteria:

i) Non-cash collateral should be sufficiently liquid and traded on a regulated market or a multilateral trading system.
ii) The collateral will be monitored and valued daily in accordance with market value.

iii) Collateral with highly volatile pricing should not be accepted without adequate haircuts (discounts).
iv) The creditworthiness of the issuer should be high.
v) Collateral must be sufficiently diversified over countries, markets and issuers. Correlations between the collateral are not taken into account. However, the collateral received must be issued by a party that is not affiliated with the counterparty.
vi) Any collateral which is not provided in cash must be issued by a company which is not affiliated with the counterparty.

There are no specifications for restricting the residual maturity of securities.

The provision of collateral is based on individual contractual agreements between the counterparty and the Management Company, in which, inter alia, the type and quality of collateral, haircuts, allowances and minimum transfer amounts are defined. The value of OTC derivatives and any collateral already provided is calculated on a daily basis. If, due to individual contractual agreements, an increase or decrease in collateral is necessary, this collateral shall be requested or claimed back from the counterparty. Information on the agreements may be requested from the Management Company free of charge at any time.

As regards the risk diversification of the collateral received, the maximum exposure to a specific issuer may not exceed 20% of the respective net assets of the sub-fund. Notwithstanding the above, Article 4(5)(h) of the Articles of Association shall apply in respect of issuer risk where collateral is received from specific issuers.

On behalf of the respective sub-fund, the Management Company may accept securities as collateral within the framework of derivatives and securities financing transactions. If these securities were pledged as collateral, they must be held in custody by the Depositary. If the Management Company has pledged the securities as collateral within the framework of derivative transactions, custody is at the discretion of the secured party.

**Currency risk**

If a sub-fund directly or indirectly holds assets denominated in foreign currencies, then it is subject to currency risk, unless the foreign currency positions are hedged. In the event of a devaluation of the foreign currency against the reference currency of the sub-fund, the value of the assets held in this foreign currency shall fall.

Share classes, the currency of which is not the sub-fund currency, may therefore be subject to a different currency risk. This currency risk may be hedged against the sub-fund currency on a case-by-case basis.

**Specific risks in relation to currency-hedged share classes**

Share classes whose currency is not that of the relevant sub-fund are subject to a currency risk which can be hedged by the use of financial derivatives. The costs, liabilities and/or benefits associated with this hedging are to be borne entirely by the share class concerned.

Counterparty and operational risks may also occur for the investors in other share classes of the sub-fund through the use of financial derivatives for just one share class.

Hedging is employed to reduce any exchange rate fluctuations between the sub-fund currency and the hedged share class currency. The aim of this hedging strategy is to adjust the currency risk of the hedged share class to such an extent that the development of the hedged share class follows the development of a share class in the sub-fund currency as exactly as possible.

The use of this hedging strategy may offer the shareholder in the relevant share class considerable protection against the risk of the share class currency value decreasing to the value of the sub-fund currency. However, it may also lead to the shareholders in the hedged share class not being able to benefit from an increase in value compared to the sub-fund currency. It may also – especially in the case of significant market turbulence – come to misalignments between the currency position of the Fund and the currency position of the hedged share class.

In the case of a net flow in the hedged share class, this currency hedging may under certain circumstances only be retrospectively conducted or amended, meaning that it is only presented in the net asset value of the hedged share class at a later date.

**Industry risk**

If a sub-fund focuses its investments on specific industries, this reduces the risk diversification. As a result, the sub-fund shall be particularly dependent on the general development of individual industries and the development of individual company profits within these industries, as well as the development of industries that mutually influence each other.

**Country and regional risk**

If the sub-fund focuses its investments on specific countries or regions, this reduces the risk diversification. Accordingly, the sub-fund shall be particularly dependent on the development of individual or mutually interdependent countries and regions, and/or on companies which are located and/or active in these countries or regions.

**Legal and tax risk**

The legal and tax treatment of the sub-fund may change in unforeseeable and uncontrollable ways.

**Country and transfer risk**

Economic or political instability in countries in which the sub-fund invests may mean that despite the solvency of the issuer of the respective transferable security or other form of assets, the funds owed to the sub-fund are received either in part or not at all, in another currency or not in good time. Decisive factors in this may include currency or transfer restrictions, a lack of willingness or capacity to carry out the transfer, or other legal changes. If the issuer pays in another currency, this position is additionally subject to a currency risk.

**Risk due to force majeure**

Force majeure is defined as events that cannot be controlled by the persons affected. These include serious road traffic accidents, pandemics, earthquakes, floods, hurricanes, nuclear accidents, war and terrorism, design and construction defects beyond the Fund's control, environmental legislation, general economic circumstances or industrial disputes. If a sub-fund is affected by one or more events of force majeure, this may result in losses up to or even total loss of that sub-fund.

**Liquidity risk**

The sub-fund may also acquire assets and derivatives not admitted for trading on a stock exchange, or not admitted to trading or included in another organised market. In some situations it might be impossible to sell such assets except subject to considerable discounts or delays, if at all. In some cases, even the sale of assets admitted to a stock exchange may only be possible with sizeable discounts, or not at all, depending on market conditions, volumes, time frames and planned costs. Although the sub-fund may only acquire assets that can generally be liquidated at any time, it is possible that these assets may temporarily or permanently only be sold at a loss.

**Custody risk**

A risk of loss is associated with the custody of assets, which may result from insolvency or violations of due diligence on the part of the Depositary or a sub-custodian, or by external events.

**Emerging markets risks**

Investing in emerging markets entails investing in countries that are not included, inter alia, in the World Bank's definition of “high GDP per capita”, i.e. are not classified as “developed” countries. In addition to the risks specific to the asset class, investments in these countries are generally subject to higher risks, in particular heightened liquidity risk and general market risk. In emerging markets, political, economic or social instability or diplomatic

incidents may hamper investments in these countries. Moreover, the processing of transactions in transferable securities from such countries may entail greater risks and be harmful to the shareholder, particularly due to the fact that it may not be possible or customary for transferable securities to be delivered immediately upon payment in such countries.

In addition, the legal and regulatory environment and the accounting, auditing and reporting standards in emerging markets may differ significantly from the level and standards which are otherwise customary on an international scale, to the detriment of an investor. This may not only lead to differences in state monitoring and regulation, but also to additional risks in connection with the assertion and settlement of claims of the sub-fund. In addition, a higher custody risk may exist in such countries, which can result in particular from different forms of the transfer of ownership of acquired assets. Emerging markets are generally more volatile and less liquid than the markets in industrialised countries, and this may lead to increased fluctuations in the unit values of the sub-fund.

**Inflation risk**

Inflation risk means the danger of financial losses as a result of the devaluation of currency. As a result of inflation, the income of the sub-fund as well as the value of the investments as such may decrease in terms of purchasing power. Different currencies are subject to inflation risk to a greater or lesser extent.

**Concentration risk**

Additional risks may be incurred if the investments are concentrated in certain assets or markets. In these cases, events affecting these assets or markets may have a greater impact on the sub-fund's assets and cause comparably greater losses than would be the case with a more diversified investment policy.

**Performance risk**

Positive performance cannot be ensured without a guarantee issued by a third party. Furthermore, assets acquired for a (sub-)fund may perform differently than anticipated upon acquisition.

**Settlement risk**

Transferable securities transactions carry the risk that one of the contracting parties delays, does not pay as agreed or does not deliver the transferable securities in good time. This settlement risk also exists with the reversal of securities for the sub-fund.

**Risks associated with using derivatives and other techniques and instruments**

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

Financial futures contracts which are used for a purpose other than hedging are also associated with considerable opportunities and risks, as only a fraction of the contract value (the margin) needs to be provided immediately.

Price changes may therefore lead to substantial profits or losses. As a result, the risk and the volatility of the sub-fund may increase.

Depending on the structure of swaps, the value thereof can be affected by any future change in the market interest rate (interest rate risk), counterparty insolvency (counterparty risk) or a change in the underlying. In principle, any future (value) changes to the underlying payment flows, assets, income or risks may lead to gains as well as losses in the sub-fund.

Techniques and instruments are associated with specific investment and liquidity risks. Since the use of derivatives embedded in financial instruments can be associated with a leverage effect, the use thereof can lead to strong fluctuations both positive and negative in the value of the sub-fund's assets.

**Risks related to receiving and providing collateral**

The Management Company receives or provides collateral for OTC derivatives and securities financing transactions. The value of OTC derivatives and securities financing transactions is subject to change. There is a risk that the collateral received may no longer be enough to fully cover the entitlement of the Management Company against the counterparty for delivery or return. To minimise this risk, as part of collateral management, the Management Company, or a third party appointed by it, shall, on a daily basis, reconcile the value of the collateral with the value of the OTC derivatives and securities financing transactions and request additional collateral in agreement with the counterparty.

This collateral may take the form of cash, government bonds, covered bonds or bonds issued by public international bodies to which one or more EU member states belong. However, the credit institution where the cash is held might default. Government bonds and bonds issued by international bodies can decrease in value. If the transaction is cancelled, the invested collateral might no longer be fully available, despite taking haircuts into account and despite the Management Company's obligation to return it in the original amount on behalf of the sub-fund. To minimise this risk, as part of collateral management, the Management Company shall, on a daily basis, determine the value of the collateral and agree additional collateral if there is increased risk.

**Risks associated with target funds**

The risks of target fund units acquired for the sub-fund are closely connected with the risks of the assets in such target funds or the investment strategies pursued by them. However, these risks can be reduced by diversifying the investments in the investment funds whose units are being acquired, as well as through diversification within this sub-fund.

Since the managers of these individual target funds act independently of each other, it is possible for several target funds to act according to the same or opposite investment strategies. This may result in existing risks being built up and possible opportunities cancelling each other out.

The Management Company is not normally in a position to control the management of target funds. Their investment decisions do not necessarily have to conform to the assumptions or expectations of the Company.

Often, the Management Company may not be completely up to date on the current composition of the target funds. In the event that this composition does not meet the Management Company's assumptions or expectations, it may, where applicable, only be able to react with considerable delay by way of redeeming units of the target funds.

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

Furthermore, fees may be incurred at the level of the target fund upon the acquisition of target fund units. This would result in double charging when investing in target funds.

**Risk of redemption suspension**

Shareholders may, in principle, request the redemption of their shares from the Management Company in accordance with the redemption details set out below. However, the Management Company may temporarily suspend the redemption of shares under extraordinary circumstances and buy back the shares at a later point at the price valid at that time (see also Article 13 of the Articles of Association entitled “Suspension of calculation of net asset value per share” and Article 16 of the Articles of Association entitled “Redemption and exchange of shares”). This price may be lower than the price before the suspension of redemption.

The Management Company may also be forced to suspend the redemption of units, particularly if one or more funds whose units were acquired for a sub-fund suspend(s) the redemption of their units, and such units make up a significant proportion of the net sub-fund assets.

**Risks associated with acquiring distressed securities:**

Individual sub-funds are permitted to invest in distressed securities, in accordance with their investment policy. Distressed securities are transferable securities used by companies that are in bankruptcy, otherwise threatened by payment default, or are experiencing financial difficulties in some other way. These circumstances, if they have not yet occurred, result in a rating downgrade, so that these securities are generally in the speculative grade segment or worse. Such securities are associated with considerable risks, rendering the yield situation extremely precarious. As a result, restructuring plans, exchange offers, etc. may be jeopardised and could negatively affect the value of these securities. The value of investments in these securities may fluctuate significantly as it depends on future circumstances of the issuer, which are unknown at the time of investment. In some situations it might be impossible to sell such securities except subject to considerable discounts or delays, if at all. There is the risk of a complete default, which means the sub-fund loses all its investment in the securities concerned.

**Risks associated with acquiring Contingent Convertible Bonds (CoCo bonds)**

CoCo bonds are open-ended subordinated bonds that are converted from borrowed capital into equity capital of the issuing company (usually banks) according to strict criteria (trigger events such as falling below a specified equity ratio). Unlike traditional convertible bonds, investors have no right of choice in this case. Depending on their configuration, the bonds may be subject to either mandatory conversion to shares, or partial or complete depreciation. If conversion is carried out, the investor changes from being a provider of external capital to a provider of equity capital. With respect to the same issuer, CoCo bond investors may experience a capital loss before the equity investors.

CoCo bonds may be exposed to other special risks such as

- Trigger level risk

Triggers can be set differently and determine the risk of conversion or depreciation depending on the spread between the equity and the trigger. The CoCo bonds can be converted into equity securities as part of a mandatory conversion. CoCo bond investors may lose their employed capital in the event of a write-down or conversion. Transparency is crucial for reducing risk.

- Coupon cancellation risk

CoCo bond investors are exposed to the risk of not receiving all expected coupon payments. Coupon payments may be suspended by the issuer at any time, for any period of time and without a predetermined reason. If the coupon payments are resumed, there is a risk that deferred coupon payments will not be paid out.

- Capital structure inversion risk

Under certain circumstances, CoCo bond investors may suffer losses if the trigger is released before the shareholders incur losses (unlike the classical capital hierarchy).

- Prolongation risk

CoCo bonds are issued as instruments with an indefinite maturity, which can only be terminated at a predefined level with the approval of the competent authority. Due to the flexible redeemability of CoCo bonds, it is possible that the maturity of the bond may be postponed and the investor may not receive the capital repayment at the expected time, which may lead to a change in the yield and valuation of the CoCo bond as well as a deterioration in the liquidity situation of the sub-fund.

- Unknown risks

The structure of CoCo bonds is innovative and has not yet been tested. The effects of strained market phases on the underlying characteristics of CoCo bonds cannot yet be clearly classified.

- Yield/valuation risks

The often attractive return on investment due to the above-mentioned risks and complexity of these investments is the primary reason for investing in CoCo bonds. However, it has not yet been ensured that investors will take sufficient account of the underlying risks in their assessment and risk measurement.

The preceding list of risk factors is not an exhaustive presentation of all the risks associated with investing in CoCo bonds. The trigger or suspension of the coupon payment by a single issuer may lead to an overreaction and consequently to an increase in volatility and illiquidity for the entire asset class. In an illiquid market, pricing may also come under pressure.

Further information on potential risks associated with investments in CoCo bonds can be found in the notification issued by the European Securities and Market Authority (ESMA/2014/944) on 31 July 2014.

**Risks of investment in asset-backed securities**

Asset-backed securities (ABS) is the umbrella term for bonds that are issued by an issuer and backed or secured by an underlying pool of assets. The underlying assets are usually loan receivables. These are bundled into a pool of receivables that is administered on a custodial basis by a financing company. This special purpose vehicle securitises the receivables and sells them on to investors. They are highly complex financial instruments for which the risks are correspondingly difficult to estimate. A sub-category of ABS is mortgage-backed securities (MBS). MBS are bonds that are backed by or secured by a pool of mortgage claims.

Another form is collateralised debt obligations (CDO). CDOs are structured bonds that are supported by a pool of various assets, particularly loan and mortgage claims or other assets such as lease receivables.

ABS are complex, structured securities whose risk potential can only be assessed after a thorough analysis. Due to their diverse design forms, it is not possible to make a generally valid assessment of them. Compared with other interest-bearing securities, these securities may be subject to additional or higher risks, including:

- Counterparty default risks

Due to changing capital market interest rates, the issuer may no longer be able to meet its obligations, which may lead to an increase in the counterparty default risk in the receivables pool.

- Liquidity risks

Despite admission to a stock exchange, investments in ABS may be illiquid.

- Interest-rate risks

Interest rate changes may occur due to early repayment options in the underlying pool.

- Credit default risks

There is a risk that claims from the underlying pool will not be serviced.

- Reinvestment risks

Due to their limited tradability, it is possible that the Fund may not always be fully invested.

- Default risks

The default risk inherent in this investment cannot be ruled out, despite risk-limiting measures, and can lead to a complete loss.

- Correlation risk

The various underlying receivables from a pool may be interdependent and are affected by interactions reflected in the valuation of asset-backed securities. In extreme situations, the exchange rate can fall sharply if a defaulted receivable infects other receivables in the pool.

- Complexity risks

Due to the complexity of the asset class, the extent of the individual risk types with regard to investments in ABS can often only be estimated. More precise projections are only possible for short periods of time. As investments in ABS are generally planned for the longer term, this can pose a significant risk for investors.

The types of risk described are not exhaustive, but rather represent the main risks of the investment fund. In general, further risks may exist and arise.

**Sustainability risks**

Sustainability risk is defined as an environmental, social or governance (hereinafter "ESG") event or condition which could have a material adverse effect – whether actual or potential – on the value of the investment and therefore on the performance of the sub-fund. Sustainability risks can have a significant impact on other types of risk, such as market price risks or counterparty default risks, and can substantially influence the risk within these risk types. Failure to take ESG risks into account could have a negative impact on returns in the long term.

**Risks arising from the ESG strategy**

Where ESG criteria are made a component of the investment decision-making process for a sub-fund in accordance with its investment strategy, the choice of target investments may be limited, as may the performance of a sub-fund compared with funds that disregard ESG criteria. The decision as to which component is decisive from the point of view of overall risk and return is subject to the Fund management's subjective assessment.

**Potential conflicts of interests**

The Management Company, its employees, representatives and/or associated companies may act as a member of the Board of Directors, Investment Adviser, Fund Manager, Central Administration Agent, Registrar and Transfer Agent or as any other service provider on behalf of the Fund. The role of the Depositary or sub-custodian entrusted with depositary functions can also be carried out by an associated company of the Management Company. If there is an association between the Management Company and the Depositary, they shall have appropriate structures to avoid any conflicts of interest arising from this association. If conflicts of interest cannot be avoided, the Management Company and the Depositary shall identify, manage, monitor and disclose these conflicts. The Management Company is aware that conflicts of interest may arise as a result of the various activities it carries out with respect to the administration of the Fund. In accordance with the Law of 17 December 2010 and the applicable administrative provisions of the CSSF, the Management Company has put in place adequate and appropriate organisational structures and control mechanisms. In particular, it acts in the best interest of the funds. The potential conflicts of interest arising from the delegation of tasks are described in the principles for handling conflicts of interest. These can be found on the Management Company's website (www.ethenea.com). If a conflict of interest arises that adversely affects the interests of the investors, the Management Company shall disclose the general nature and/or sources of the existing conflict of interest on its website. When outsourcing tasks to third parties, the Management Company ensures that the third parties have taken the necessary and equivalent measures for complying with all requirements pertaining to organisational structure and the prevention of conflicts of interest, as set forth in the applicable Luxembourg laws and regulations, and that these third parties monitor compliance with these requirements.

**Risk profile**

The investment funds administered by the Management Company are classified as belonging to one of the following risk profiles. The sub-fund's risk profile is shown in the Annex. The descriptions of the following profiles

were prepared under the assumption of normally functioning markets. In unforeseen market situations or market disturbances, non-functioning markets may result in additional risks beyond those listed in the risk profile.

**Risk profile – Security-oriented**

The Fund is appropriate for security-oriented shareholders. Due to the composition of the Fund's net assets, there is a low degree of overall risk, but also a corresponding degree of profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as risks resulting from changes in market interest rates.

**Risk profile – Conservative**

The Fund is suitable for conservative shareholders. Due to the composition of the Fund's net assets, there is a moderate degree of overall risk, but also a moderate degree of profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as risks resulting from changes in market interest rates.

**Risk profile – Growth-oriented**

The Fund is suitable for growth-oriented shareholders. Due to the composition of the Fund's net assets, there is a high degree of overall risk, but also a high degree of profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as risks resulting from changes in market interest rates.

**Risk profile – Speculative**

The Fund is suitable for speculative shareholders. Due to the composition of the Fund's net assets, there is a very high degree of overall risk, but also a very high degree of profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as risks resulting from changes in market interest rates.

**Risk management process**

The Management Company employs a risk management process enabling it to monitor and assess the risk connected with investment holdings as well as their share in the total risk profile of the investment portfolio of the funds it manages at any time. In accordance with the Law of 17 December 2010 and the applicable prudential supervisory requirements of the CSSF, the Management Company reports regularly to the CSSF about the risk management process used. Within the framework of the risk management process and using the necessary and appropriate methods, the Management Company ensures that the overall risk associated with derivatives of the funds managed does not go beyond the total net value of their portfolios. To this end, the Management Company makes use of the following methods:

- Commitment approach:

  With the commitment approach, the positions from derivative financial instruments are converted into their corresponding underlying equivalents using the delta approach. In doing so, the netting and hedging effects between derivative financial instruments and their underlying assets are taken into account. The total of these underlying equivalents may not exceed the total net value of the Fund's portfolio.

- Value-at-risk (VaR) approach:

  The VaR figure is a mathematical-statistical concept and is used as a standard risk measure in the financial sector. VaR indicates the possible loss of a portfolio that will not be exceeded during a certain period (the holding period) with a certain probability (the confidence level).

  - Relative VaR approach:

    With the relative VaR approach, the VaR of the Fund must not exceed the VaR of a reference portfolio by more than a factor dependent on the amount of the Fund’s risk profile. The maximum permissible factor specified by the supervisory authority is 200%. The reference portfolio is essentially an accurate reflection of the Fund's investment policy.

- Absolute VaR approach:

With the absolute VaR approach, the VaR (99% confidence level, 20-day holding period) of the Fund may not exceed a portion of the Fund's assets dependent on the Fund’s risk profile. The maximum permissible factor specified by the supervisory authority is 20% of the Fund's assets.

For funds whose total risk is determined using VaR approaches, the Management Company estimates the anticipated degree of leverage. Depending on the respective market situation, this degree of leverage may deviate from the actual value and may be exceeded or fallen short of. Shareholders should be aware that no conclusions regarding the risk content of the Fund may be drawn from this data. In addition, the published anticipated degree of leverage is explicitly not to be considered an investment limit. The method used for determining the total risk and, if applicable, the disclosure of the benchmark portfolio and the anticipated degree of leverage, as well as its method of calculation, are indicated in the Annex specific to the sub-fund.

**Liquidity management**

The Management Company has drawn up written policies and procedures for the sub-funds to enable it to monitor the sub-funds' liquidity risks and ensure that the liquidity profile of the sub-funds' investments covers the sub-funds' underlying liabilities. On the basis of the investment strategies, the sub-funds' liquidity profile is as follows: A sub-fund's liquidity profile is determined in its entirety by its structure with regard to the sub-fund's assets and liabilities, as well as the investor structure and the redemption conditions set out in the sales prospectus.

The policies and procedures include the following:

- The Management Company monitors the liquidity risks that may arise at the level of the relevant sub-fund or of the assets. In doing so, it assesses the liquidity of the assets held in the sub-fund in relation to the sub-fund's assets and determines liquidity classes for this purpose. The assessment of liquidity includes analysing the trading volume, the complexity or other typical characteristics and, if necessary, assessing the quality of an asset.
- The Management Company monitors the liquidity risks that may arise as a result of increased investor demand for unit redemption or large-scale calls. In doing so, it forms expectations about net changes in funds, taking into account available information about past values from historical net changes in funds.
- The Management Company monitors the sub-fund's ongoing receivables and liabilities and assesses their impact on the relevant sub-fund's liquidity situation.
- The Management Company has determined adequate limits for liquidity risks for the Fund. It monitors compliance with these limits and has established procedures in the event that the limits have been or may be exceeded.
- The procedures put in place by the Management Company ensure consistency between liquidity classes, liquidity risk limits and expected net changes in funds.

The Management Company regularly reviews these policies and updates them as appropriate.

The Management Company conducts regular stress tests, which it can use to assess the sub-funds' liquidity risks. The Management Company bases these stress tests on reliable, up-to-date quantitative information or – if required – qualitative information. This includes the investment strategy, redemption periods, payment obligations and periods during which assets may be sold, as well as specific information about historical events or hypothetical assumptions. The stress tests simulate a situation where the assets in a sub-fund lack liquidity or where there are an atypical number of redemption requests. They cover market risks and their effects, including margin calls and requirements for collateral or credit lines. They are performed at a frequency appropriate for the sub-fund and take account of the relevant sub-fund's investment strategy, liquidity profile, investor profile and redemption policies.

**Calculation of net asset value per share**

The net fund assets of the Investment Company are denominated in euro (“reference currency”).

The value of a share (“net asset value per share”) is denominated in the currency laid down in the respective Annex to the Sales Prospectus (“sub-fund currency”) insofar as no other currency is stipulated for this or any other share classes in the Annex to the Sales Prospectus (“share class currency”). The net asset value per share is calculated by the Management Company or a third party commissioned by it under the supervision of the Depositary on each day stated in the Annex to the sub-fund (“valuation day”). In order to calculate the net asset value per share, the value of the sub-fund's assets less the sub-fund's liabilities is determined on each valuation day (“net sub-fund assets”). Further details on the calculation of the net asset value per share are specified in Article 12 of the Articles of Association.

**Issue of shares**

1. Shares are always issued on the initial issue date of the sub-fund or within its initial issue period at a set initial issue price, plus any front-end load paid to the respective sales agent, in the manner described for the sub-fund in the Annex to this Sales Prospectus. In conjunction with this initial issue amount or this initial issue period, shares will be issued on the valuation day at the issue price. The issue price is the net asset value per share pursuant to Article 12(4) of the Articles of Association, plus any front-end load payable to the respective sales agent, the maximum amount of which is regulated for the sub-fund in the Annex to this Sales Prospectus. The issue price may be increased by fees or other charges payable in the countries where the Fund is distributed.

2. Subscription orders for the acquisition of registered shares may be submitted to the Management Company and any sales agent. These receiving entities must immediately forward all subscription orders to the Registrar and Transfer Agent. Receipt by the Registrar and Transfer Agent is decisive. This agent accepts the subscription orders on behalf of the Management Company.

   Purchase orders for the acquisition of shares certified in the form of global certificates (“bearer shares”) are forwarded to the registrar and transfer agent by the entity at which the subscriber holds his custody account. Receipt by the Registrar and Transfer Agent is decisive.

   Complete subscription orders for registered shares or purchase orders for bearer shares received by the competent agent on a valuation day no later than the time specified in the Annex to the sub-fund shall be settled at the issue price of the following valuation day, provided that the equivalent value for the subscribed shares is available. The Management Company shall ensure in all cases that the shares are issued on the basis of a net asset value per share previously unknown to the shareholder. If, however, an applicant is suspected of engaging in late trading, the Management Company may reject the subscription or purchase order until the applicant has cleared up any doubts with regard to his subscription or purchase order. Complete subscription orders for registered shares or purchase orders for bearer shares received by the competent agent on a valuation day after the time specified in the Annex to the relevant sub-fund shall be settled at the issue price of the next valuation day but one.

   If the transaction value of the registered shares for subscription is not available at the time of receipt of the complete subscription order by the competent agent or if the subscription order is incorrect or incomplete, the subscription order shall be regarded as having been received by the reference agent on the date on which the transaction value of the subscribed shares is available or the subscription form is submitted properly.

   The bearer shares are transferred after settlement at the Registrar and Transfer Agent via so-called payment/delivery transactions, step by step – i.e. against payment of the out-paying investment amount to the point at which the subscriber maintains his custody account.

3. The issue price is payable at the Depositary in Luxembourg in the sub-fund currency or, if there are several share classes, in the respective share class currency, within the number of banking days specified in the Annex to the relevant sub-fund, but not later than three (Luxembourg) banking days after the relevant valuation day.

The circumstances under which the issue of shares may be suspended are specified in Article 15 in conjunction with Article 13 of the Articles of Association.

**Redemption and exchange of shares**

1. Shareholders are entitled at all times to request the redemption of their shares at the net asset value per share pursuant to Article 12(4) of the Articles of Association less any redemption fee ("redemption price"), if applicable. This redemption will only be carried out on a valuation day. If a redemption fee is payable, the maximum amount of this fee for the sub-fund is listed in the Annex to this Sales Prospectus.

   In certain countries, the payment of the redemption price may be reduced by local taxes and other charges. The corresponding share is cancelled upon payment of the redemption price.

2. Payment of the redemption price, as well as any other payments to shareholders, shall be made via the Depositary or the paying agents. The Depositary is only obliged to make payment insofar as there are no legal provisions, such as exchange control regulations or other circumstances beyond the Depositary's control, prohibiting the transfer of the redemption price to the country of the applicant.

   The Management Company may buy back shares unilaterally against payment of the redemption price if this is deemed necessary in the interests of the shareholders or the shareholders of the Investment Company.

3. The exchange of all or some shares for shares in another share class shall take place on the basis of the net asset value per share of the relevant sub-fund, taking into account any applicable exchange fee which is set at a maximum of 1% of the net asset value per share of the shares to be subscribed, but must total at least the difference between the front-end load of the sub-fund of the shares to be exchanged and the front-end load of the sub-fund into whose shares the exchange is made. If no exchange fee is charged, this is specified for the sub-fund concerned in the relevant Annex to this Sales Prospectus.

   In the event that different share classes are offered within a single sub-fund, it is also possible to exchange shares of one class for shares of another class within the same sub-fund, unless otherwise stated in the relevant Annex to this Sales Prospectus. In this case, no exchange fee is charged.

   The Management Company may at any time reject an order for the exchange of shares within a particular sub-fund, if this is deemed to be in the interests of the Investment Company or the sub-fund or in the interests of the shareholders.

4. Complete orders for the redemption or exchange of registered shares can be submitted to the Management Company, any sales agent or the paying agents. The receiving agents are obliged to immediately forward the redemption or exchange orders to the Registrar and Transfer Agent.

   Complete sales orders for the redemption of bearer shares will be forwarded to the Registrar and Transfer Agent by the agent with whom the shareholder holds his custody account.

   An order for the redemption or exchange of registered shares shall only be deemed complete if it contains the name and address of the shareholder, the number and/or transaction value of the shares to be redeemed or exchanged, the name of the sub-fund and the signature of the shareholder.

Complete redemption/sales orders or exchange orders received by the competent agent on a valuation day no later than the time stated in the Annex of the relevant sub-fund shall be settled at the net asset value per share of the following valuation day less any applicable redemption fee or exchange fee. The Management Company shall ensure that shares are redeemed or exchanged on the basis of a net asset value per share that is not known to the shareholder in advance. Complete redemption/sales orders or complete exchange orders received by the competent agent on a valuation day after the time stated in the Annex for the relevant sub-fund shall be settled at the net asset value per share of the next valuation day but one, less any applicable redemption fee and/or an exchange fee.

The time of receipt of the redemption/sales order or exchange order by the Registrar and Transfer Agent shall be decisive.

The redemption price is payable in the respective sub-fund currency or, if there are several share classes, in the respective share class currency, within the number of banking days specified in the Annex of the particular sub-fund, but no later than three banking days after the relevant valuation day. In the case of registered shares, payment is made to the account specified by the shareholder.

5. The Management Company must temporarily suspend the redemption or exchange of shares due to the suspension of the calculation of the share value.

6. Subject to prior approval from the Depositary and while preserving the interests of shareholders, the Management Company shall only be entitled to process significant volumes of redemptions after selling corresponding assets of the sub-fund without delay. In this case, the redemption shall be carried out at the redemption price valid at that time. The same shall apply for orders for the exchange of shares. The Management Company shall, however, ensure that the sub-fund has sufficient liquid funds at its disposal such that, under normal circumstances, the redemption or exchange of shares may take place promptly upon application from shareholders.

**Taxation of the Investment Company**

The Company's assets are not subject to taxation on its income and profits in the Grand Duchy of Luxembourg. The Company's assets in the Grand Duchy of Luxembourg are only subject to the "taxe d'abonnement" which is currently 0.05% p.a. A reduced "*taxe d'abonnement*" of 0.01% p.a. is applicable to (i) the sub-funds or share classes whose shares are only issued to institutional shareholders within the meaning of Article 174 of the Law of 17 December 2010, (ii) sub-funds whose sole purpose is to invest in money market instruments, time deposits with credit institutions or both. If a sub-fund invests in sustainable economic activities in accordance with Article 3 of Regulation (EU) 2020/852 (EU Taxonomy), the *taxe d'abonnement* may be reduced in accordance with Article 174 (3) of the Law of 17 December 2010. The *taxe d'abonnement* is payable quarterly, based on the Company's net assets reported at the end of each quarter. The amount of the *taxe d'abonnement* is specified for each sub-fund or share class in the relevant Annex to the Sales Prospectus. An exemption from the *taxe d'abonnement* applies, inter alia, to the extent that the sub-fund's assets are invested in other Luxembourg investment funds, which in turn are already subject to the *taxe d'abonnement*.

Income received from the Fund (especially interest and dividends) may be subject to withholding tax or assessed tax in the countries in which the sub-fund's assets are invested. The Fund may also be taxed on realised or unrealised capital gains of its investments in the source country. Neither the Depositary nor the Management Company are obliged to collect tax certificates.

Interested parties and shareholders are recommended to find out about the laws and regulations applied to the taxation of corporate assets, and to the subscription, purchase, ownership, redemption or transfer of shares and to call on the advice of external parties, tax advisers in particular.

**Taxation of income from shares in the Investment Company held by the shareholder**

Shareholders who are not or were not tax resident in the Grand Duchy of Luxembourg and who do not maintain a business establishment or have a permanent representative there are not subject to Luxembourg income tax in respect of income or capital gains on their shares in the Fund.

Natural persons who are tax resident in the Grand Duchy of Luxembourg are subject to progressive Luxembourg income tax.

Companies that are tax resident in the Grand Duchy of Luxembourg are subject to corporation tax on the income from the fund units.

Interested parties and shareholders are recommended to inform themselves on laws and regulations which are applied to the taxation of corporate assets, the subscription, the purchase, the ownership, the redemption or the transfer of shares and to call on the advice of external third parties, especially a tax adviser.

**Publication of the net asset value per share and the issue and redemption price**

The respective applicable net asset value per share, issue and redemption price, as well as any other investor information, may be obtained at any time from the registered office of the Management Company, the Depositary, the paying agents/information agents and any sales agents. The Management Company also publishes the issue and redemption prices on each trading day on its website (www.ethenea.com).

**Information for shareholders**

The Management Company publishes information, in particular notices to shareholders, on its website (www.ethenea.com). In addition, notices will be published in the Grand Duchy of Luxembourg in the "RESA" and in the "Tageblatt", where required by law, and also, if required, in another daily newspaper that has sufficient circulation.

The following documents are available for inspection free of charge during normal business hours on working days in Luxembourg (apart from Saturdays) at the registered office of the Management Company:

- Articles of Association of the Investment Company;
- Articles of Association of the Management Company;
- Management Agreement;
- Fund Management Contract;
- Depositary Agreement;
- Agreement on the transfer of the functions of Central Administration Agent, Registrar and Transfer Agent and paying agent.

The current Sales Prospectus, the "Key Investor Information Document", as well as the annual and semi-annual reports of the Fund can be obtained free of charge from www.ethenea.com. Hard copies of the current Sales Prospectus and the "Key Investor Information Document" as well as the relevant annual and semi-annual reports for the Fund are available free of charge from the registered office of the Management Company, the Depositary, any sales agent and the paying agents/information agents.

Shareholders can find information free of charge on the principles and policies of the Management Company regarding the exercise of voting rights based on the assets held for the Fund at www.ethenea.com.

When implementing decisions regarding the acquisition or sale of assets for a sub-fund, the Management Company acts in the best interests of the sub-fund assets. Information on the principles set forth by the Management Company in this regard can be found free of charge at www.ethenea.com.

If the loss of a deposited financial instrument is discovered, the Management Company shall inform the shareholder immediately using a durable medium. For further information please refer to Article 37(12) of the Articles of Association.

Shareholders may send questions, comments and complaints to the Management Company by post or via e-mail. Information on the complaint procedure can be downloaded free of charge from the Management Company's website (www.ethenea.com).

Information on payments the Management Company receives from third parties or pays to third parties may be requested from the Investment Company or the Management Company free of charge at any time.

Information on how the sustainability risks are handled as well as the strategies established for such can be found on the Management Company's website (www.ethenea.com).

The Fund Manager considers the principal adverse impacts of investment decisions on sustainability factors within the meaning of Article 4(1)(a) of Regulation (EU) 2019/2088.

Information on the principal adverse impacts on sustainability factors, where applicable to a sub-fund, is set out in the relevant Annex. Further information is available on the Fund Manager's website (www.ethenea.com).

The Management Company has drawn up and applies remuneration policies and practices that comply with the legal requirements, in particular the principles listed in Article 111ter of the Law of 17 December 2010. These practices and policies are compatible and consistent with the risk-management process defined by the Management Company and neither encourage the acceptance of risks that are incompatible with the risk profiles and the Management Regulations or Articles of Association of the funds under its management nor prevent the Management Company from acting at its own discretion in the best interests of the Fund.

The remuneration policies and practices include fixed and variable portions of salaries and voluntary pension benefits.

The remuneration policies and practices apply to categories of employees, including senior management, risk bearers, employees with oversight functions and employees whose overall remuneration places them in the same income bracket as senior management and risk bearers, whose activities have a material influence on the risk profiles of the Management Company or the funds under its management.

The Management Company's remuneration policy is compatible with sound and effective risk management and is consistent with the business strategy, the objectives, values and interests of the Management Company and of the UCITS under its management and investors in such UCITS, as well as with any sustainability risks. Compliance with and implementation of the remuneration policies shall be verified once a year. Fixed and variable components of the total remuneration are appropriately balanced, whereby the proportion of the fixed component of the total remuneration is high enough to provide complete flexibility with regard to the variable remuneration components, including the possibility of waiving the payment of a variable component. Performance fees are based on employees' qualifications and skills as well as their level of responsibility and contribution towards the Management Company's added value. Where applicable, performance is assessed under a multi-year framework to ensure that the assessment is based on the longer-term performance of the UCITS and its investment risks and that the actual payment of performance-related remuneration components is spread over the same period. The pension scheme is consistent with the business strategy, the objectives, values and long-term interests of both the Management Company and the UCITS under its management.

Details of the up-to-date remuneration policy, including, but not limited to, a description of how remuneration and benefits are calculated, the identities of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, may be downloaded free of charge from the Management Company's website (www.ethenea.com). A hard copy will be made available free of charge to shareholders on request.

**Information for shareholders with ties to the United States of America**

The shares of the Investment Company sub-fund are not, have not been and will not be authorised in accordance with the latest version of the U.S. Securities Act of 1933 (the "Securities Act") or the stock market regulations of individual federal states or local authorities of the United States of America or its territories or possessions either in the ownership or under the jurisdiction of the United States of America, including the Commonwealth of Puerto Rico (the "United States"), or otherwise registered or transferred, offered or sold directly or indirectly to or in favour of a U.S. person. The Investment Company is not and will not be authorised or registered in accordance with the latest version of the U.S. Investment Company Act of 1940 (the "Investment Company Act") or in accordance with the laws of individual federal states of the USA, and shareholders have no claim to the benefit of registration under said Act.

In addition to the other requirements set out in the Prospectus, Articles of Association or the subscription form, investors must (a) not be "U.S. persons" within the meaning of the definition of Regulation S of the Securities Act, (b) not be "specified U.S. persons" as defined in the Foreign Account Tax Compliance Act ("**FATCA**") (c) be "non-U.S. persons" within the meaning of the Commodity Exchange Act and (d) not be "U.S. persons" within the meaning of the latest version of the U.S. Internal Revenue Code of 1986 (the "**Code**") and in accordance with the U.S. Treasury Regulations enacted pursuant to the Code. Further information is available on request from the Management Company. Persons wishing to acquire shares must confirm in writing that they meet the requirements of the previous paragraph.

FATCA was adopted as part of the Hiring Incentives to Restore Employment Act of March 2010 in the United States. FATCA obliges financial institutions outside of the United States of America ("foreign financial institutions" – FFIs) to transfer information on an annual basis regarding financial accounts held directly or indirectly by specified U.S. persons to the US tax authorities (Internal Revenue Service – IRS). A withholding tax of 30% will be deducted from certain types of U.S. income from FFIs which do not meet this obligation.

On 28 March 2014, the Grand Duchy of Luxembourg entered into an intergovernmental agreement ("IGA"), in accordance with model 1, and a related memorandum of understanding with the United States of America.

The Management Company and the Fund both comply with the FATCA regulations.

The Fund's share classes may be either

(i) subscribed to by shareholders via a FATCA-compliant independent intermediary (nominee), or

(ii) subscribed to directly or indirectly via a sales agent (serving solely as an intermediary and not acting as nominee), with the exception of:

- Specified U.S. persons

  This shareholder group includes those U.S. persons who are classified by the United States government as at risk with regard to tax avoidance and tax evasion practices. However this does not affect, inter alia, listed companies, tax-exempt organisations, real estate investment trusts (REITs), trusts, U.S. securities dealers or similar entities.

- Passive non-financial foreign entities (or passive NFFE), whose substantial ownership is held by a U.S. person

  This shareholder group generally refers to all NFFE which (i) do not qualify as active NFFE or (ii) or which are not retained foreign partnerships or trusts in accordance with the relevant U.S. Treasury Regulations.

- Non-participating financial institutions

  The United States of America grants this status due to the non-compliance of a financial institution which has not fulfilled stated requirements due to the breach of the terms of the respective country-specific IGAs within 18 months of first being advised.

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

For any questions concerning FATCA and the FATCA status of the Fund, shareholders and potential shareholders are advised to contact their financial, tax and/or legal advisors.

**Information for shareholders with respect to the automatic exchange of information**

The automatic exchange of information pursuant to intergovernmental agreements and Luxembourg regulations (Law of 18 December 2015 transposing the automatic exchange of financial account information in tax matters) is transposed via Council Directive 2014/107/EU of 9 December 2014 as regards mandatory automatic exchange of information in the field of taxation, and the Common Reporting Standard, a reporting and due diligence process developed by the Organisation for Economic Co-operation and Development (OECD) for the international, automatic exchange of financial account information. The automatic exchange of information was transposed into Luxembourg law for the first time in the 2016 tax year.

For this purpose, reportable financial institutions provide information on applicants and reportable registers annually to the Luxembourg tax authorities (Administration des Contributions Directes in Luxembourg), which in turn forwards it to the tax authorities of the countries in which the applicant(s) is/are resident for tax purposes.

In particular, this involves the notification of:

- the name, address, tax identification number, country of domicile, date and place of birth of each person subject to reporting obligations,
- register number,
- register balance or value,
- credited capital gains, including sales proceeds.

Reportable information for a specific tax year, which must be submitted to the Luxembourg tax authority by 30 June of the following year, shall be exchanged by 30 September of that year between the relevant financial authorities and for the first time in September 2017, based on the data for 2016.

**Notes for investors regarding tax disclosure obligations in the tax field (DAC – 6)**

Pursuant to the Sixth EU Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU regarding the mandatory automatic exchange of information in the field of taxation on reportable cross-border arrangements - "DAC-6" - intermediaries and, in subsidiary circumstances, taxpayers are in principle obliged to report to their national tax authorities certain cross-border arrangements that exhibit at least one of the so-called characteristics. The characteristics describe tax features of a cross-border arrangement that make the arrangement reportable. EU member states will exchange the reported information with each other.

DAC-6 was to be transposed into national law by EU member states by 31 December 2019, with initial application from 1 January 2021. All reportable cross-border arrangements implemented since the entry into force of DAC-6 on 25 June 2018 must be reported retroactively.

The Management Company intends to comply with any reporting obligation that may exist in this respect with regard to the Fund or its direct or indirect investments. This reporting obligation may include information on the tax structure and the shareholders regarding their identity, in particular the shareholders' name, residence and

tax identification number. Shareholders may also be directly subject to this reporting obligation themselves. If shareholders wish to obtain advice on this subject, it is recommended that they consult a legal or tax advisor.

**Combating money laundering**

Pursuant to international regulations and the Luxembourg laws and regulations and including, but not limited to, the Law of 12 November 2004 on combating money laundering and the financing of terrorism, the Grand-Ducal Regulation of 1 February 2010, CSSF Regulation 12-02 of 14 December 2012 and CSSF circulars CSSF 13/556, CSSF 15/609, CSSF 17/650 and CSSF 17/661 on combating money laundering and the financing of terrorism, as well as all amendments thereto or subsequent regulations, all obligated parties are required to prevent undertakings for collective investment from being misused for the purpose of money laundering and terrorist financing. The Fund, the Management Company or a third party commissioned by it may require an applicant to provide any document it considers necessary for establishing identity. The Fund, the Management Company (or a third party commissioned by it) may also request any other information it needs to comply with the applicable statutory and regulatory provisions, including, but not limited to, the CRS and FATCA Law.

If an applicant does not provide the required documents in good time, in full, or at all, the subscription order shall be rejected. With redemptions, incomplete documentation can delay payment of the redemption price. The Management Company is not responsible for delayed processing or failed transactions if the applicant has not provided the documents in good time, in full or at all.

The Fund and Management Company (or a third party commissioned by it) may from time to time require shareholders to provide additional or updated documents relating to their identity in accordance with the applicable laws and provisions relating to their obligations to continuously monitor and check their customers. If these documents are not produced promptly, the Management Company is obliged and entitled to block the Fund units of the shareholders in question.

In order to transpose Article 30 of Directive (EU) 2015/849 of the European Parliament and of the Council, the 4th EU Anti-money Laundering Directive, the Law of 13 January 2019 establishing a register of beneficial owners was adopted. This requires registered legal entities to report their beneficial owners to the register set up for this purpose.

As a "registered legal entity", investment companies and investment funds are also legally defined in Luxembourg.

For example, the beneficial owner as defined in the Law of 12 November 2004 is often any natural person who holds or otherwise controls more than 25% of the shares or units of a legal entity.

Depending on the specific situation, this could result in end investors of the Investment Company/Investment Fund being reported to the register of beneficial owners with names and other personal details. The following data of a beneficial owner can be viewed free of charge by anyone on the website of "Luxembourg Business Registers" from 1 September 2019: Name, surname(s), nationality (nationalities), date and place of birth, country of residence and nature and extent of economic interest. Public inspection can only be limited in exceptional circumstances after a case-by-case examination subject to a fee.

**Data protection**

Personal data is processed in accordance with the European Parliament and Council Regulation (EU) 2016/679 of 27 April 2016 relating to the protection of natural persons during the processing of personal data, the free movement of data and repealing the Directive 95/46/EC ("General Data Protection Regulation") and the data

protection law applicable in Luxembourg (including, but not restricted to the amended Law of 2 August 2002 relating to the protection of personal data during the data processing).

Thus, personal data provided in connection with investment in the Fund may be stored and processed on a computer by the Management Company on behalf of the Fund and by the Depositary acting as data controllers.

Personal data will be processed to process subscription and redemption orders, maintain the unit register, carry out the tasks of the above-mentioned parties and comply with applicable laws and regulations, in Luxembourg and other jurisdictions, including, but not limited to, applicable company law, laws and regulations to combat money laundering and the financing of terrorism, and tax law, such as FATCA (Foreign Account Tax Compliance Act), CRS (Common Reporting Standard) or similar laws and regulations (e.g. at OECD level).

Personal data shall only be made available to third parties if this is necessary for justified business interests, to exercise or defend legal claims before the courts, or if laws or regulations make such transmission compulsory. This can include disclosure to third parties such as government or supervisory authorities, including tax authorities and auditors in both Luxembourg and other jurisdictions.

Apart from the above-mentioned cases, no personal data shall be transmitted to countries outside the European Union or the European Economic Area.

In subscribing to and/or holding shares, shareholders – at least implicitly – give their consent to their personal data being processed as described above, and in particular to such data being disclosed to and processed by the above-mentioned parties, including affiliated companies in countries outside the European Union which may not provide the same protection as Luxembourg data protection law.

In this respect, the shareholders acknowledge and accept that failure to transmit personal data required by the Management Company as part of their existing relationship with the Fund can prevent their continued participation in the Fund and may lead to the Management Company reporting them to the competent Luxembourg authorities.

In this respect, the shareholders acknowledge and accept that the Management Company will report all relevant information related to their investment in the Fund to the Luxembourg tax authorities, which will share this information with the competent authorities of the relevant countries or other approved jurisdictions pursuant to the CRS Law or corresponding European and Luxembourg legislation as part of an automatic procedure.

Where the personal data provided in relation to an investment in the Fund include the personal data of the shareholder's (deputy) representatives, signatories or financial beneficiaries, it will be assumed that the shareholder has obtained the consent of those affected to their personal data being processed as described above, and in particular to their data being disclosed to and processed by the above-mentioned parties, including parties in countries outside the European Union which may not provide the same protection as Luxembourg data protection law.

In accordance with applicable data protection law, shareholders may request access to and rectification and deletion of their personal data. Such requests must be sent in writing to the Management Company. It will be assumed that shareholders will have informed the (deputy) representatives, signatories or financial beneficiaries whose personal data is processed of these rights.

Since the personal data are transmitted electronically and are available outside Luxembourg, the same level of confidentiality and protection as currently afforded by applicable data protection law in Luxembourg cannot be

guaranteed as long as the personal data is located abroad, even if the above-mentioned parties have taken appropriate measures to ensure the confidentiality of such data. Personal data will only be kept until the reason for processing the data is fulfilled, all the while observing the applicable statutory minimum retention periods.

**Annex 1.A**
**HESPER FUND – GLOBAL SOLUTIONS**

Investment objectives

The investment objective of the sub-fund HESPER FUND – Global Solutions (the "Sub-fund" or "financial product") is to achieve an appropriate increase in value in the currency of the sub-fund or share class. The sub-fund is actively managed. The composition of the portfolio is established, regularly reviewed and adjusted where appropriate by the Fund Manager in accordance with the criteria defined in the investment objectives / investment policy. The sub-fund is not managed using an index as a benchmark.

In compliance with the strategy of the Management Company, the Fund Manager for this sub-fund will take into account sustainability risks, in the investment decision process.

Article 8 of Regulation (EU) 2019/2088 applies to this Fund. Please note the following in accordance with the provisions of Article 6 of Regulation (EU) 2020/852 (EU Taxonomy):

**For more information in relation to the promotion of environmental and/or social characteristics and, where applicable, the sustainable investment objectives of the Fund Manager in accordance with Article 8 of Regulation (EU) 2019/2088 and Article 6 of Regulation (EU) 2020/852 (EU Taxonomy) for this sub-fund, please refer to Annex 1.B of the Sales Prospectus.**

The performance of the individual share classes of the sub-fund shall be indicated in the corresponding "Key Investor Information Document".

Past performance is not a guarantee of future performance. We cannot guarantee that the investment objective will be achieved.

**Investment policy**

Subject to Article 4 of the Articles of Association, the following provisions shall apply to the sub-fund:

In principle, the sub-fund may, according to the market situation and the judgement of the Management Company or the Fund's management, invest in equities, bonds, money market instruments, certificates, other structured products (e.g. reverse convertible bonds, warrant-linked bonds, convertible bonds), target funds and fixed-term deposits. The certificates are for legally permitted underlyings such as: Shares, bonds, units in investment funds, financial indices and foreign currencies as well as Delta-1 certificates on commodities, precious metals and indices thereon, provided that these are not financial indices within the meaning of Article 9(1) of Directive 2007/16/EC and Article XIII of ESMA Guideline 2014/937. Investment in such Delta-1 certificates may not exceed 20% of the Fund's net assets.

The sub-fund is a long/short multi-asset fund. The sub-fund will invest mainly in EUR, USD, JPY, CHF, GBP and NOK. Investments in other currencies are also possible, including emerging market currencies.

The sub-fund is able to acquire assets in a foreign currency and may therefore be subject to foreign currency exposure.

In general, investments in liquid assets are limited to 20% of the sub-fund's net assets; however, the sub-fund's net assets may, where deemed appropriate due to exceptionally unfavourable market conditions, be held in liquid assets in excess of this limit within the legally permissible limits (short term), and therefore deviate from this

investment limit in the short term. In addition, the(sub-)fund may, where deemed appropriate due to exceptionally unfavourable market conditions, differ (in the short term) from the investment focus referred to above if, in this case, the investment focus as a whole is adhered to given addition of the liquid assets.

More than 10% of the net sub-fund assets may be invested in units in UCITS and other UCIs ("target funds"). The sub-fund is therefore not eligible as a target fund.

Investments in distressed securities, CoCo bonds and asset-backed securities are permitted up to a maximum limit of 10% of the sub-fund assets. The use of these financial instruments may give rise to increased risks which, together with the functionality and other risks, are described in more detail in the "Risk information" section of the Sales Prospectus.

The use of derivative financial instruments ("derivatives") is permitted in order to achieve the above-mentioned investment objectives, as well as for investment and hedging purposes. In addition to option rights, this includes, inter alia, swaps and futures contracts on securities, money market instruments, financial indices within the meaning of Article 9(1) of Directive 2007/16/EC and Article XIII of the ESMA Guidelines 2014/937, interest rates, exchange rates, currencies and investment funds pursuant to Article 41(1)(e) of the Law of 17 December 2010. These derivatives may only be used within the limits of Article 4 of the Articles of Association. Further details on techniques and instruments can be found in the Sales Prospectus in the section entitled "Information on techniques and instruments".

For this sub-fund, the Management Company will not conclude total return swaps or other derivatives with the same characteristics. Securities financing transactions pursuant to Regulation (EU) 2015/2365 are not undertaken.

All investments pursuant to Article 4(3) of the Articles of Association are limited to a total of 10% of the net sub-fund assets.

**Sub-fund risk profile**

Risk profile – Speculative

The sub-fund is suitable for speculative shareholders. Due to the composition of the net sub-fund assets, there is a very high degree of overall risk, but also a very high degree of profit potential. The risks may consist in particular of currency risk, credit risk and price risk, as well as risks resulting from changes in market interest rates.

**Risk management procedure**

Absolute VaR approach

The absolute VaR approach is used for monitoring and measuring the total risk of the investment holdings of the UCITS.

Expected leverage

Leverage is any method of increasing the level of investment of a sub-fund. This can be achieved, in particular, through the acquisition of derivatives. Further details on derivatives can be found in the Sales Prospectus in the section entitled "Information on derivatives and other techniques and instruments". The expected degree of leverage is determined using the nominal value method. This method exclusively takes derivatives into account and determines the sum of the absolute nominal values of all derivatives. However, it is not permissible to offset individual derivative transactions or securities positions against each other. The expected degree of leverage does

not differentiate between the various purposes of using derivatives. Derivatives used for hedging also increase the leverage effect. The expected leverage does not provide any indication of the actual risk content of the sub-fund.

The expected degree of leverage was estimated at up to 500% of the volume of the sub-fund. The use of derivatives is permitted in order to achieve the above-mentioned investment objectives, as well as for investment and hedging purposes. The use of derivatives can vary greatly depending on the respective assessment of the market situation.

It should be noted that higher leverage within the legal limits is possible.

**The Fund at a glance**

| **Share class:** | **A-12 EUR** | **A-12 CHF** | **A-12 USD** |
|---|---|---|---|
| ISIN: | LU1931795501 | LU1931796905 | LU1931798604 |
| Initial subscription period: | 06 June 2019 - 13 June 2019 | | |
| Initial unit value:<br>(plus front-end load) | EUR 100.00 | CHF 100.00 | USD 100.00 |
| Payment of the initial issue price: | 17 June 2019 | | |
| Payment of the issue and redemption price | Within 2 banking days | | |
| Currency of share class: | EUR | CHF | USD |
| Sub-fund currency: | EUR | | |
| Unit value calculation | On every banking day in Luxembourg, with the exception of 24 and 31 December of each year. | | |
| Financial year end of the sub-fund:<br>For the first time: | 31 December<br>31 December 2019 | | |
| First semi-annual report (unaudited):<br>First annual report (audited): | 30 June 2020<br>31 December 2019 | | |
| Type of securitisation: | Bearer shares; registered shares | | |
| Denomination: | Bearer and registered shares will be issued with up to three decimal places. | | |
| Cut-off time (time by which subscription orders, redemption orders and conversion orders must be received) | 14:00 | | |
| Minimum initial investment: | None | | |
| Minimum subsequent investment: | None | | |
| Taxe d'abonnement | 0.05% p.a. | 0.05% p.a. | 0.05% p.a. |
| Fund management fee: | Up to 1.20% p.a. | Up to 1.20% p.a. | Up to 1.20% p.a. |
| Use of income | distributing | distributing | distributing |

| **Share class:** | **T-12 EUR** | **T-10 EUR** | **T-12 CHF** | **T-12 USD** |
|---|---|---|---|---|
| ISIN: | LU2275633894 | LU1931800350 | LU1931801754 | LU1931801911 |
| Initial subscription period: | 01 January 2021 – 15 January 2021 | 06 June 2019 - 13 June 2019 | | |
| Initial unit value:<br>(plus front-end load) | EUR 100.00 | EUR 100.00 | CHF 100.00 | USD 100.00 |
| Payment of the initial issue price: | 19 January 2021 | 17 June 2019 | | |
| Payment of the issue and redemption price | Within 2 banking days | | | |
| Currency of share class: | EUR | | CHF | USD |
| Sub-fund currency: | EUR | | | |
| Unit value calculation | On every banking day in Luxembourg, with the exception of 24 and 31 December of each year. | | | |
| Financial year end of the sub-fund:<br>For the first time: | 31 December<br>31 December 2019 | | | |
| First semi-annual report (unaudited):<br>First annual report (audited): | 30 June 2020<br>31 December 2019 | | | |
| Type of securitisation: | Bearer shares; registered shares | | | |
| Denomination: | Bearer and registered shares will be issued with up to three decimal places. | | | |
| Cut-off time (time by which subscription orders, redemption orders and conversion orders must be received) | 14:00 | | | |
| Minimum initial investment: | None | | | |
| Minimum subsequent investment: | None | | | |
| Taxe d'abonnement | 0.05% p.a. | | | |
| Fund management fee: | Up to 1.20% p.a. | Up to 1.00% p.a. | Up to 1.20% p.a. | Up to 1.20% p.a. |
| Use of income | accumulating | accumulating | accumulating | accumulating |

| **Share class:** | **A-6 EUR** | **A-6 CHF** | **A-6 USD** |
|---|---|---|---|
| ISIN: | LU1931802216 | LU1931803297 | LU1931804691 |
| Initial subscription period: | 06 June 2019 - 13 June 2019 | | |
| Initial unit value:<br>(plus front-end load) | EUR 100.00 | CHF 100.00 | USD 100.00 |
| Payment of the initial issue price: | 17 June 2019 | | |
| Payment of the issue and redemption price | Within 2 banking days | | |
| Currency of share class: | EUR | CHF | USD |
| Sub-fund currency: | EUR | | |
| Unit value calculation | On every banking day in Luxembourg, with the exception of 24 and 31 December of each year. | | |
| Financial year end of the sub-fund:<br>For the first time: | 31 December<br>31 December 2019 | | |
| First semi-annual report (unaudited):<br>First annual report (audited): | 30 June 2020<br>31 December 2019 | | |
| Type of securitisation: | Bearer shares; registered shares | | |
| Denomination: | Bearer and registered shares will be issued with up to three decimal places. | | |
| Cut-off time (time by which subscription orders, redemption orders and conversion orders must be received) | 14:00 | | |
| Minimum initial investment*: | EUR 100,000 | | |
| Minimum subsequent investment: | None | | |
| Taxe d'abonnement | 0.05% p.a. | 0.05% p.a. | 0.05% p.a. |
| Fund management fee: | Up to 0.60% p.a. | Up to 0.60% p.a. | Up to 0.60% p.a. |
| Use of income | distributing | distributing | distributing |

| **Share class:** | **T-6 EUR** | **T-6 CHF** | **T-6 USD** |
|---|---|---|---|
| ISIN: | LU1931806399 | LU1931808338 | LU1931810235 |
| Initial subscription period: | 06 June 2019 - 13 June 2019 | | |
| Initial unit value:<br>(plus front-end load) | EUR 100.00 | CHF 100.00 | USD 100.00 |
| Payment of the initial issue price: | 17 June 2019 | | |
| Payment of the issue and redemption price | Within 2 banking days | | |
| Currency of share class: | EUR | CHF | USD |
| Sub-fund currency: | EUR | | |
| Unit value calculation | On every banking day in Luxembourg, with the exception of 24 and 31 December of each year. | | |
| Financial year end of the sub-fund:<br>For the first time: | 31 December<br>31 December 2019 | | |
| First semi-annual report (unaudited):<br>First annual report (audited): | 30 June 2020<br>31 December 2019 | | |
| Type of securitisation: | Bearer shares; registered shares | | |
| Denomination: | Bearer and registered shares will be issued with up to three decimal places. | | |
| Cut-off time (time by which subscription orders, redemption orders and conversion orders must be received) | 14:00 | | |
| Minimum initial investment*: | EUR 100,000 | | |
| Minimum subsequent investment: | None | | |
| Taxe d'abonnement | 0.05% p.a. | 0.05% p.a. | 0.05% p.a. |
| Fund management fee: | Up to 0.60% p.a. | Up to 0.60% p.a. | Up to 0.60% p.a. |
| Use of income | accumulating | accumulating | accumulating |

* The Management Company is authorised to accept lower amounts at its discretion.

**Costs**

Costs which are reimbursed from the sub-fund's assets:

**Management fee**

In return for managing the Fund, the Management Company receives a fee of up to 0.15% p.a. of the net sub-fund assets.

The fees mentioned above shall cover payment of the services provided by the Management Company, the Central Administration Agent and the Depositary.

This fee is calculated and paid out pro rata monthly in arrears based on the average net sub-fund assets during a given month.

VAT shall be added to these fees, as applicable.

**Fund management fee**

For the fund management, the fund manager receives a fee of up to 1.00% p.a. of the net sub-fund assets for share class T-10 EUR, a fee of up to 1.20% p.a. of the sub-fund's net assets for share classes A-12 EUR, A-12 CHF and A-12 USD as well as T-12 EUR, T-12 CHF and T-12 USD of the sub-fund's net assets and for share classes A-6 EUR, A-6 CHF and A-6 USD as well as T-6 EUR, T-6 CHF and T-6 USD a fee of up to 0.60% p.a. of the sub-fund's net assets, calculated monthly pro rata on the basis of the average net assets of the sub-fund during a month and paid monthly in arrears. VAT shall be added to these fees, as applicable.

**Performance fee**

In addition, the Investment Adviser/Fund Manager/Management Company receives a performance fee of up to 10% of the unit value performance exceeding a defined minimum performance (hurdle rate) if the unit value at the financial year-end is higher than the highest unit value at the end of the previous financial years or higher than the initial unit value at the end of the first financial year (high-water mark principle).

The defined hurdle rate is 1% p.a. prorated on each calculation day with respect to the previous days within the calculation period.

High-water mark principle: at the launch of the Fund, the high-water mark is identical to the initial unit value. If the share value on the last valuation day of a subsequent financial year is above the high-water mark, the high-water mark is set to the calculated share value on the last valuation day of the financial year. In all other cases, the high-water mark remains unchanged. The high watermark reference period covers the entire life of the relevant unit classes of the Fund.

Unit value: Net asset value per unit, i.e. gross asset value per unit less all unit costs such as administrative or depository charges, any performance fee and other costs which are charged to the unit certificate class. This unit value corresponds to the published unit price.

The performance of the unit value (“unit value performance”) is calculated on each valuation date by comparing the actual unit value with the highest unit value of the previous financial year end (high-water mark). If there are different share classes in the Fund, the unit value per unit class is used as a basis for the calculation.

To determine unit value performance, any dividend payments made in the meantime are taken into account, i.e. they are added to the actual unit value from which the distributions have been deducted.

Beginning with the start of each financial year, the performance fee is calculated on each valuation day on the basis of the unit value performance mentioned above, the average units in circulation during the financial year and the highest unit value at the ends of the previous financial years (high-water mark).

On the valuation days on which the performance of the unit value is greater than the defined outperformance (hurdle rate) and the current unit value exceeds the high-water mark, the accrued total amount changes in

accordance with the method presented above. On the valuation days on which the performance of the unit value is lower than the defined hurdle rate or the current unit value is lower than the high-water mark, the accrued total amount is eliminated. As a basis of calculation, data from the previous valuation day (at financial year-end on the same day) is used.

The amount calculated on the last valuation day of the accounting period may, if a performance fee is payable, be paid out from the relevant unit class of the Fund at the end of the financial year.

If the unit value performance of a financial year is less than the agreed hurdle rate, this agreed minimum performance is not cumulative with the minimum performance of the following year.

The accounting period begins on 1 January and ends on 31 December of any calendar year. The accounting period can be shortened, for example in the event of a merger or dissolution of a sub-fund.

VAT shall be added to these fees, as applicable.

Example calculation at the end of the period: performance fee payout

The unit value performance in relation to the high water mark (+4%) exceeds the minimum performance (+1%). Performance payout amounting to EUR 4,500 (outperformance +3%)

(((Current unit value (EUR 104) - high water mark (EUR 100)) / high water mark (EUR 100)) - minimum performance 1%)) * high water mark (EUR 100) * average units in circulation (15,000) * performance fee rate (10%) = EUR 4,500

In the following cases, no performance fee is paid out:

Unit value does not exceed high water mark (-1%) and minimum performance (+1%)

(((Current unit value (EUR 99) - high water mark (EUR 100)) / high water mark (EUR 100)) - minimum performance 1%)) * high water mark (EUR 100) * average units in circulation (15,000) * performance fee rate (10%) = EUR 0.00 performance fee

Unit value exceeds high water mark (+0.5%) but not minimum performance (+1%)

(((Current unit value (EUR 100.50) - high water mark (EUR 100)) / high water mark (EUR 100)) - minimum performance 1%)) * high water mark (EUR 100) * average units in circulation (15,000) * performance fee rate (10%) = EUR 0.00 performance fee

The performance fee is calculated for unit certificate classes that differ from the fund currency (e.g. fund currency EUR, class currency USD) in such a way that the performance of the unit value is determined in the class currency and different performance fee withdrawal amounts between a class in the fund currency and a class in a foreign currency may result from currency fluctuations.

**Registrar and Transfer Agent fee**

The registrar and transfer agent does not currently receive a fee for the performance of its duties as stipulated in the Registrar and Transfer Agent Agreement.

**Additional costs**

The Fund's assets may also be obliged to bear the costs described in Article 35 of the Articles of Association.

Costs to be borne by the shareholders include:

| Share class | **A-12 EUR, A-12 CHF, A-12 USD, T-10 EUR, T-12 EUR, T-12 CHF, T-12 USD** | **A-6 EUR, A-6 CHF, A-6 USD**<br>**T-6 EUR, T-6 CHF, T-6 USD** |
|---|---|---|
| Front-end load: | up to 3.00% | up to 3.00% |
| Redemption fee: | None | None |
| Exchange fee: | None | None |

**Use of income**

The income of the sub-fund's share classes A-12 EUR, A-12 CHF, A-12 USD and A-6 EUR, A-6 CHF, A-6 USD is distributed.

The income of the sub-fund's share classes T-10 EUR, T-12 EUR, T-12 CHF, T-12 USD and T-6 EUR, T-6 CHF and T-6 USD is accumulated.

Detailed information regarding the use of income will be published on the Management Company's website (www.ethenea.com) and in the Fund's annual report.

**Special remarks for share classes denominated in CHF and USD**

The share classes A-12 CHF, A-12 USD, T-12 CHF, T-12 USD, A-6 CHF, A-6 USD, T-6 CHF and T-6 USD are hedged against the sub-fund currency for currency fluctuations.

Hedging is associated with inefficiencies. It can therefore not be guaranteed that all currency fluctuations are completely reduced by the hedging.

Information on any risks associated therewith can be found in the "Risk information" chapter of the Sales Prospectus.

**Annex 1.B**

**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**

**Product name: HESPER FUND – GLOBAL SOLUTIONS**
**Legal entity identifier: 529900ZQCD5OO331SM04**

**Environmental and/or social characteristics**

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

| ☐ **Yes** | ☒ **No** |
|---|---|
| ☐ It will make a minimum of **sustainable investments with an environmental objective**: % | ☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of % of sustainable investments |
| ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy | ☐ with an environmental objective 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 | ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy |
| | ☐ with a social objective |
| ☐ It will make a minimum of **sustainable investments with a social objective**: % | ☒ It promotes E/S characteristics, but **will not make any sustainable investments** |

**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.

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

In its bond and equity investments, the Sub-fund favours companies that already have low exposure to material ESG risks or that actively manage and so reduce the ESG risks inevitably associated with their business activities.

The analyses of the external rating agency Sustainalytics are used to assess the ESG risks that are relevant for the individual companies and to evaluate the active management of ESG risks within the companies. The ESG Risk Score calculated by Sustainalytics assesses three factors that are crucial for a risk assessment:

- Governance
- Material ESG risks at sector level and the individual measures taken by the company to counter them
- Idiosyncratic risks (controversies that companies are involved in)

The corporate governance assessment is an important feature for assessing the financial and ESG risks associated with an investment. The analysis of the environmental and social characteristics focuses on material risks for the sector. Besides social factors, resource consumption is always a risk factor in the manufacturing sector. Consequently, the analysis incorporates ecological features, for example:

- greenhouse gas emissions and greenhouse gas intensity,
- protection of natural resources, especially water,
- limiting of soil sealing,
- biodiversity

Service companies have a much lower environmental impact due to their activities, and so they focus on social characteristics, which include, for example:

- Fair working conditions and adequate pay,
- Health and safety at work,
- Prevention of corruption,
- Prevention of fraud,
- Control of product quality.

As such, the Sub-fund focuses on taking into account relevant environmental and social risks, which may vary from company to company. The Sub-fund seeks not only to avoid environmental risks by investing in companies whose environmental risks are already low based on the company's activities, but also to consider companies that use appropriate management policies to limit and reduce the environmental risks associated with their business model.

ETFs are also regularly used as part of the highly flexible, opportunistic investment approach. Investments are made in sustainable ETFs where available and in accordance with the liquidity requirements of the investment strategy. In the context of Regulation (EU) 2019/2088, we define ETFs classified as Article 8 or Article 9 funds as sustainable ETFs.

There are also comprehensive exclusions that prohibit the Sub-fund from making a large number of investments that are generally regarded as critical. Specifically, investments in companies with a core activity in the areas of armaments, tobacco, pornography, staple food speculation and/or the production/distribution of coal are prohibited. Additionally, investments in companies are prohibited when serious violations of the principles of the UN Global Compact have been identified and there is no compelling prospect that the violations will be remedied. For sovereign issuers, investments in bonds of countries declared "unfree" in the annual analysis by Freedom House (www.freedomhouse.org) are prohibited.

**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 analyses of the external rating agency Sustainalytics are used to assess the ESG risks that are relevant for the individual companies and to evaluate the active management of ESG risks within the companies.

Sustainalytics summarises the results of its analyses in an ESG risk score ranging from 0 to 100, where the risk assumptions are assessed as follows:
less than 10: minor risks
from 10 to 19.99: low risks
from 20 to 29.99: medium risks
from 30 to 39.99: high risks
greater than 40: serious risks.

Measured against this ESG risk score, the Sub-fund is expected to achieve on average at least a medium ESG risk profile (ESG risk score less than 30).

Individual securities with very serious risks (ESG risk score greater than 50) will only be considered for inclusion as an investment in the Sub-fund in justified exceptional cases and should be accompanied by an active engagement process to improve the ESG risk profile of the investment.

The exclusions exclude investments in companies or products issued by companies that violate the UN conventions on cluster munitions, chemical weapons and other outlawed weapons of mass destruction or that finance such companies/products. Additional product-related exclusions apply if the turnover of a company from the production and/or distribution of certain goods exceeds the revenue volumes listed below: coal (25%), armaments (10%), small arms (10%), adult entertainment (10%), tobacco (5%).

Additionally, investments in companies are prohibited when serious violations of the principles of the UN Global Compact have been identified and there is no compelling prospect that the violations will be remedied.

For sovereign issuers, investments in bonds of countries declared “unfree” in the annual analysis by Freedom House (www.freedomhouse.org) are prohibited.

- 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?

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

- 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?

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

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

- How were the indicators for adverse impacts on sustainability factors taken into account?
  E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?
  E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

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

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

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

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

☒ Yes, within the Sub-fund, the principal adverse impacts of investment decisions on sustainability factors from the following groups of issues from Annex 1 of Table I of Regulation (EU) 2022/1288 of the European Parliament and of the Council of 6 April 2022 are taken into consideration: greenhouse gas emissions, biodiversity, water, waste, and social and employment issues.

The portfolio managers draw on the external analyses of ESG agencies, public documents of the companies and notes from direct dialogues with company leaders to identify, measure and assess adverse sustainability impacts. The adverse sustainability impacts can then be subjected to comprehensive analysis and taken into account in investment decisions.
Different sustainability aspects are weighted in the sustainability assessment of investments depending on their relevance for the respective business model. For example, greenhouse gas emissions are significantly more relevant in particularly CO2-intensive sectors than in less CO2-intensive sectors.

Regular reporting of the sustainability factors is based on the raw data provided by the Sustainalytics rating agency.

☐ 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 main objective of the investment policy of the Sub-fund is to achieve an appropriate increase in value in euro, taking into account the criteria of sustainability, value stability, capital security and the liquidity of the Sub-fund's assets, as described in more detail in the prospectus under "Investment Objectives and Strategy" and "Investment Policy".

A three-stage analysis and decision-making process is embedded in the investment process to ensure the continuous implementation of the environmental and social goals that are being promoted.

The first step is a comprehensive exclusion procedure to exclude certain critical investments in advance (details on the exclusions used are provided in the following answer).

The second step is an ESG risk assessment to evaluate and reduce the material sustainability risks associated with an investment. In its investments, the Sub-fund favours companies that already have low exposure to material ESG risks and can therefore be described as non-critical, or that actively manage and so reduce the ESG risks inevitably associated with their business activities (details of this can also be found in the following answer). The ETFs regularly used as part of the highly flexible, opportunistic investment approach are expected to be sustainable ETFs, where available and in accordance with the liquidity requirements of the investment strategy (in this context, we define ETFs classified as Article 8 or Article 9 funds under Regulation (EU) 2019/2088 as sustainable ETFs).

Individual securities with very serious ESG risks must be accompanied by a targeted engagement process. For equity investments, the engagement process is implemented, for example, by exercising voting rights and actively exercising shareholder rights. For bond investments, creditor rights can be exercised. The portfolio manager is also required to actively engage in dialogue with the management of the company to coordinate the sustainability goals, to scrutinise them critically and, if necessary, to make suggestions for improvement. This can be done in the case of a bond issue, for example, during roadshows, at press conferences and following the presentation of quarterly or annual results, at conferences, directly on site at the company, in meetings and dialogues with company representatives or ad-hoc via investor relations.

- 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 analyses of the external rating agency Sustainalytics are used to assess the ESG risks that are relevant for the individual companies and to evaluate the active management of ESG risks within the companies.

Sustainalytics summarises the results of its analyses in an ESG risk score ranging from 0 to 100, where the risk assumptions are assessed as follows:
less than 10: minor risks
from 10 to 19.99: low risks
from 20 to 29.99: medium risks
from 30 to 39.99: high risks
greater than 40: serious risks.

Measured against this ESG risk score, the Sub-fund is expected to achieve on average at least a medium ESG risk profile (ESG risk score less than 30).

Individual securities with very serious risks (ESG risk score greater than 50) will only be considered for inclusion as an investment in the Sub-fund in justified exceptional cases and should be accompanied by an active engagement process to improve the ESG risk profile of the investment.

The exclusions exclude investments in companies or products issued by companies that violate the UN conventions on cluster munitions, chemical weapons and other outlawed weapons of mass destruction or that finance such companies/products. Additional product-related exclusions apply if the turnover of a company from the production and/or distribution of certain goods exceeds the revenue volumes listed below: coal (25%), armaments (10%), small arms (10%), adult entertainment (10%), tobacco (5%).

Additionally, investments in companies are prohibited when serious violations of the principles of the UN Global Compact have been identified and there is no compelling prospect that the violations will be remedied.

For sovereign issuers, investments in bonds of countries declared “unfree” in the annual analysis by Freedom House (www.freedomhouse.org) are prohibited.

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

The Sub-fund does not have a commitment to reduce the investment universe by a certain minimum rate.

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

Investments in companies are prohibited when serious violations of the principles of the UN Global Compact have been identified and there is no compelling prospect that the violations will be remedied.

The ten principles of the UN Global Compact are:

01 Businesses should support and respect the protection of internationally proclaimed human rights.

02 Businesses should make sure that they are not complicit in human rights abuses.

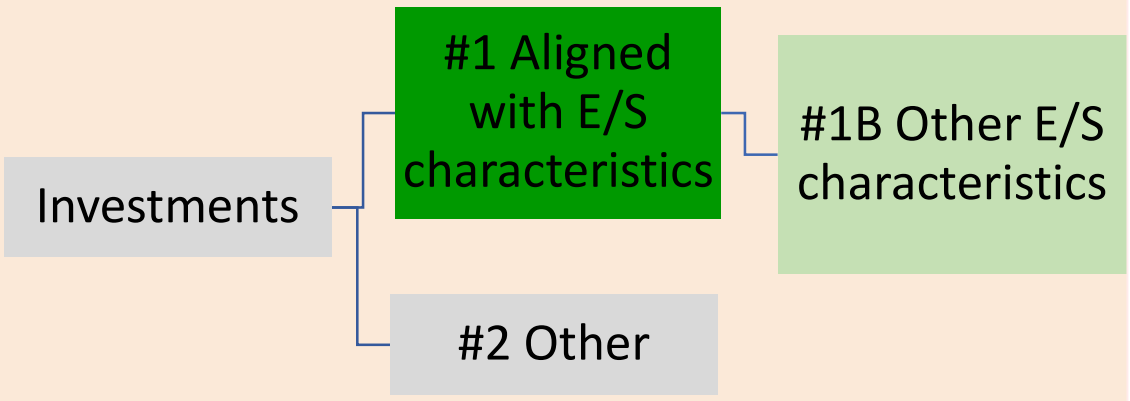
**Good governance practices** include sound management structures, employee relations, remuneration of staff and tax compliance.

03 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
04 Business should work for the elimination of all forms of forced and compulsory labour.
05 Business should work for the effective abolition of child labour.
06 Business should work for the elimination of discrimination in respect of employment and occupation.
07 Businesses should support a precautionary approach to environmental challenges.
08 Businesses should undertake initiatives to promote greater environmental responsibility.
09 Businesses should encourage the development and diffusion of environmentally friendly technologies.
10 Businesses should work against corruption in all its forms, including extortion and bribery.

**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 expenditure** (OpEx) reflecting green operational activities of investee companies.




**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product. The minimum share of these investments is 51%.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

– The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

- How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?
  The Sub-fund may use financial derivative instruments for investment and hedging purposes. Derivatives are not used to achieve the environmental or social characteristics promoted by the financial product.

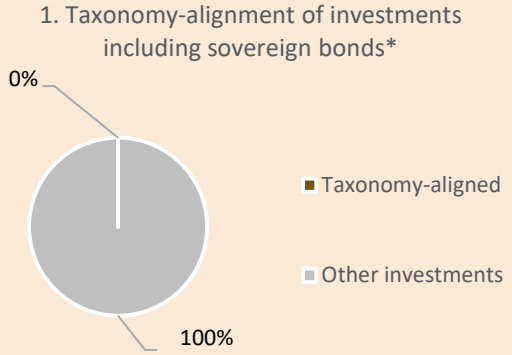
**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

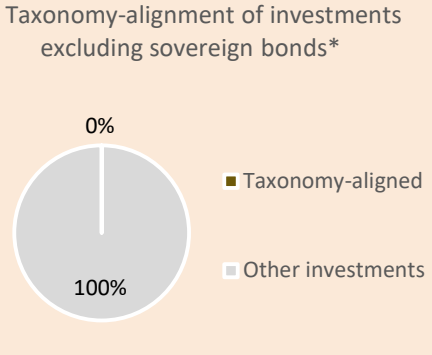
The main objective of this Sub-fund is to contribute to the pursuit of E/S characteristics. Accordingly, this Sub-fund does not currently commit to investing a minimum proportion of its total assets in environmentally sustainable economic activities as defined in Article 3 of the EU Taxonomy Regulation (2020/852). This also applies to information on investments in economic activities that are classified as enabling or transitional activities under Article 16 or 10(2) of the EU Taxonomy Regulation (2020/852).

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

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

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




| | | | |
|---|---|---|---|
| Taxonomy-aligned: | 0% | Taxonomy-aligned: | 0% |
| Other investments: | 100% | Other investments: | 100% |

* 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?
  Transitional activities: 0%
  Enabling activities: 0%

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?**

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 0%

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

E/S characteristics are promoted with the financial product, but no sustainable investments will be made.

The minimum share of socially sustainable investments is 0%

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

This includes hedging instruments, investments used for diversification purposes (for example commodities and other investment funds), investments for which no data is available, and cash.

"#2 Other investments" in particular is used for diversification of the Sub-fund and for liquidity management in order to achieve the investment objectives described in the investment policy.

The sustainability indicators used to measure the achievement of the individual environmental or social characteristics in "#1 Investments focused on environmental or social characteristics" do not apply systematically in "#2 Other investments". There is no minimum protection for "#2 Other investments".

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

**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?**

☐ Yes,
☒ No

- How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?
  No index is designated as a reference benchmark to determine whether this Sub-fund is aligned with the environmental and/or social characteristics that it promotes.

- How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?
  No index is designated as a reference benchmark to determine whether this Sub-fund is aligned with the environmental and/or social characteristics that it promotes.

- How does the designated index differ from a relevant broad market index?
  No index is designated as a reference benchmark to determine whether this Sub-fund is aligned with the environmental and/or social characteristics that it promotes.

- Where can the methodology used for the calculation of the designated index be found?
  No index is designated as a reference benchmark to determine whether this Sub-fund is aligned with the environmental and/or social characteristics that it promotes.


**Where can I find more product specific information online?**
**More product-specific information can be found on the website**:
https://www.ethenea.com/en-lu/esg-related-documents/

**Articles of Association**

**of the**

**HESPER FUND**

## I. Name, registered office and purpose of the Investment Company

### Article 1 Name

An investment company in the form of a public limited company shall herewith be formed as a "société d'investissement à capital variable" under the name **HESPER FUND** (the "Investment Company" or "Fund"). Its members shall be the parties present and all persons who become holders of subsequently issued shares. The Investment Company is an umbrella structure that may contain several sub-funds (the "sub-funds").

### Article 2 Registered office

The Company's registered office is in Strassen, Grand Duchy of Luxembourg.

By simple resolution of the Board of Directors of the Investment Company (the "Board of Directors"), the registered office of the Investment Company may be relocated to another place within the commune of Strassen. Furthermore, branches and other offices in other locations both within the Grand Duchy of Luxembourg and abroad may be opened.

In the event of an emergency or the impending threat thereof of a political or military nature or any other emergency brought about by force majeure outside the control, responsibility and sphere of influence of the Investment Company, which has a detrimental impact on the daily business of the company or influences transactions between the location of the registered office of the company and other locations abroad, the Board of Directors shall be entitled by simple resolution to temporarily relocate the registered office of the company abroad for the purpose of re-establishing normal business relations. However, in this case the Investment Company shall retain Luxembourg nationality.

### Article 3 Purpose

The exclusive purpose of the Investment Company is to invest in securities and/or other permissible assets according to the principle of risk diversification pursuant to Part I of the Law of 17 December 2010 relating to undertakings for collective investment (the "Law of 17 December 2010"), with the aim of achieving a reasonable performance for the benefit of its shareholders by following a specific investment policy.

Taking into consideration the provisions laid down in the Law of 17 December 2010 and the Law of 10 August 1915 on commercial companies, as amended (the "Law of 10 August 1915"), the Investment Company may take any measures that serve or are useful for its purpose.

### Article 4 General investment principles and restrictions

The aim of the investment policy of the individual sub-funds is to achieve reasonable capital growth in the respective sub-fund currency fund (as defined in Article 12(1) of these Articles of Associations in conjunction with the relevant Annex to this Sales Prospectus). The investment policy specific to the sub-fund is described and specified for each sub-fund in the Annex to the Sales Prospectus, taking into account the principle of risk diversification and in compliance with the applicable laws and regulations.

Each sub-fund may buy and sell only those assets that can be valued in accordance with the valuation criteria set out in Article 12 of these Articles of Association.

The following general investment principles and restrictions apply to all sub-funds, insofar as no derogations or additional provisions are contained in the relevant Annex to this Sales Prospectus for a particular sub-fund.

The respective sub-fund assets are invested pursuant to the principle of risk diversification within the meaning of the provisions of Part I of the Law of 17 December 2010 and in accordance with the following investment policy principles and investment restrictions. These restrictions are distinguished between supervisory and tax-related investment restrictions. If the tax investment restrictions are applied to a sub-fund, they always apply in addition to and taking into account the regulatory investment restrictions.

**Supervisory investment restrictions**

1. Definitions:

   a) "regulated market"

      A regulated market is a market for financial instruments within the meaning of Article 4(21) of Directive 2014/65/EU of the European Parliament and Council dated 15 May 2014 on markets for financial instruments as well as amending Directives 2002/92/EC and 2011/61/EU.

   b) "transferable securities"

      The term "transferable securities" denotes:

      - shares or other securities equivalent to shares ("shares"),
      - bonds or other forms of securitised debt (hereinafter "debt instruments"),
      - all other marketable transferable securities giving the right to acquire transferable securities via subscription or exchange.

      The techniques and instruments specified in Article 42 of the Law of 17 December 2010 are excluded.

   c) "money market instruments"

      The term "money market instruments" refers to instruments that are normally traded on the money markets, are liquid and the value of which can be determined precisely at any time.

   d) "UCI"

      Undertakings for collective investment.

   e) "UCITS"

      Undertakings for collective investment in transferable securities which are subject to Directive 2009/65/EC.

For each UCITS that consists of multiple sub-funds, each sub-fund is considered to be its own UCITS for the purposes of applying the investment limits.

2. Only the following may be acquired:

   a) transferable securities and money market instruments that have been admitted to a regulated market as defined in Directive 2014/65/EU or are traded thereon;

b) transferable securities and money market instruments that are traded on another recognised regulated market in an EU Member State ("Member State") which is open to the public and operates regularly;

c) transferable securities and money market instruments that are officially listed on a stock exchange in a non-Member State of the European Union or traded on another regulated market of a non-Member State of the European Union which is recognised, open to the public and whose manner of operation is in accordance with the regulations;

d) recently issued transferable securities and money market instruments, provided their terms of issue include an undertaking that an application will be made for admission to official listing to a stock exchange or another regulated market which is recognised, open to the public and operates regularly and that this admission is secured within one year of the issue date.

The transferable securities and money market instruments referred to in point 2(c) and (d) above shall be officially listed or traded in North America, South America, Australia (including Oceania), Africa, Asia and/or Europe.

e) units in undertakings for collective investment in transferable securities ("UCITS") which have been approved in accordance with Directive 2009/65/EC, and/or other undertakings for collective investment ("UCIs") within the meaning of Article 1(2)(a) and (b) of Directive 2009/65/EC, irrespective of whether they are established in a Member State, and provided that

- such UCIs are authorised under laws which provided that they are subject to supervision considered by the Luxembourg supervisory authority to be equivalent to that laid down in Community law and that cooperation between authorities is sufficiently ensured;

- the level of protection afforded to shareholders in these UCIs is equivalent to that afforded to shareholders in a UCITS and, in particular, the provisions concerning the separate safekeeping of assets, borrowing, granting credit and short sales of securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC;

- the business of the UCI is reported in semi-annual and annual reports to enable an assessment to be made of the assets and liabilities, income and transactions over the reporting period;

- no more than 10% of the assets of the UCITS or of the other UCIS, whose acquisition is contemplated, may, according to their contract conditions or their Articles of Association, be invested in aggregate in units of other UCITS or other UCIs.

f) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a Member State or, if the credit institution has its registered office in a third country, provided that it is subject to prudential rules considered by the Luxembourg supervisory authority as equivalent to those laid down in Community law.

g) derivative financial instruments ("derivatives") may be acquired, including equivalent instruments settled in cash, which are traded on one of the regulated markets referred to in (a), (b) or (c), and/or derivative financial instruments which are traded over the counter ("OTC derivatives"), provided that

- the underlying of the derivative consists of instruments within the meaning of Article 41(1) of the Law of 17 December 2010, or financial indices, interest rates, foreign exchange rates

or currencies in which the respective sub-fund may invest according to its investment objectives as stated in these Articles of Association;

- the counterparties to OTC derivative transactions are institutions that are subject to official prudential supervision and belong to the categories approved by the CSSF;
- the OTC derivatives are subject to a reliable and verifiable assessment on a daily basis and can at any time, at the Investment Company's initiative, be sold, liquidated or closed-out by a transaction at a reasonable current value.

h) money market instruments other than those traded on a regulated market, which fall under Article 1 of the Law of 17 December 2010, if the issue or issuer of such instruments is itself regulated for the purpose of protecting investors and savings, provided that they are:

- issued or guaranteed by a central, regional or local authority or the central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third country 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 Member States belong;

- issued by an undertaking, any securities of which are traded on regulated markets referred to in (a), (b) or (c) of this Article;

- issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by Community law, or by an establishment which is subject to and complies with prudential rules considered by the Luxembourg supervisory authority to be at least as stringent as those laid down by Community law;

- issued by other bodies belonging to the categories approved by the Luxembourg supervisory authority, provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, second or third bullet points and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with Fourth Council Directive 78/660/EEC, which is an entity which, within a group of companies that 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 that benefit from a banking liquidity line.

3. However, up to 10% of the net assets of the respective sub-fund may be invested in transferable securities and money market instruments other than those mentioned in point 2 of this Article.

4. Techniques and instruments

(a) Under the conditions and within the limits set out by the Luxembourg supervisory authority, each sub-fund may employ techniques and instruments stated in the Sales Prospectus, provided that such techniques and instruments are used for the purpose of efficient portfolio management. If these operations concern the use of derivatives, the conditions and limits must comply with the provisions of the Law of 17 December 2010.

Moreover, when making use of techniques and instruments, the respective sub-fund assets are not permitted to diverge from the investment policy as set out in the relevant Annex to the Sales Prospectus.

(b) The Management Company is required to apply a risk management process in accordance with Article 42(1) of the Law of 17 December 2010 enabling it at any time to monitor and measure the risk connected with the investment holdings as well as their contribution to the overall risk profile of the investment portfolio. The Management Company must ensure that the overall risk of managed funds associated with derivatives does not exceed the total net value of their portfolios. In particular, it shall not solely or mechanistically rely on credit ratings issued by credit rating agencies as defined in Article 3(1)(b) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, for assessing the creditworthiness of the Fund's assets. The process used for the corresponding sub-fund to measure risk and any more detailed information are stated in the Annex to the sub-fund.

As part of its investment policy and within the limits laid down by Article 43(5) of the Law of 17 December 2010, the sub-fund may be invested in derivatives as long as the exposure to the underlying assets does not exceed in aggregate the investment limits in Article 43 of the Law of 17 December 2010. If the sub-fund invests in index-based derivatives, such investments will not be taken into account for the investment limits referred to in Article 43 of the Law of 17 December 2010.

If a derivative is embedded in a security or money market instrument, it must be taken into account with regard to compliance with Article 42 of the Law of 17 December 2010.

The Management Company may, on behalf of the Investment Company, make all necessary arrangements and, with the consent of the Depositary, impose all necessary additional investment restrictions in order to comply with the conditions in countries in which shares are to be sold.

5. Risk diversification

(a) A maximum of 10% of the net sub-fund assets may be invested in transferable securities or money market instruments of a single issuer. The sub-fund may not invest more than 20% of its assets in investments in a single body.

The risk exposure to a counterparty in transactions of the Fund in an OTC derivative transaction must not exceed the following:

- 10% of the net sub-fund assets, if the counterparty is a credit institution within the meaning of Article 41(1)(f) of the Law of 17 December 2010, and
- 5% of the net sub-fund assets in all other cases.

(b) The total value of the transferable securities and money market instruments of issuers, in whose transferable securities and money market instruments more than 5% of the net assets of the respective sub-fund are invested, may not exceed 40% of the net assets of the sub-fund in question. Such limitation shall not apply to deposits and transactions in OTC derivatives with financial institutions which are subject to prudential supervision.

Notwithstanding the individual upper limits listed under (a), investments may be made up to a maximum of 20% of a particular sub-fund's assets in a single body in a combination of.

- transferable securities or money market instruments issued by that body and/or
- deposits made with that body and/or

- OTC derivatives acquired from that body.

(c) The investment limit of 10% of the net sub-fund assets referred to in point 5(a), first sentence, of this Article shall be increased to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State, by its local authorities, by a non-Member State or by a public international body to which one or more Member States belong.

(d) The investment limit of 10% of the net sub-fund assets referred to in point 5(a), first sentence, of this Article shall be increased to 25% if bonds are issued by a credit institution that has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attached to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

If more than 5% of the net sub-fund assets are invested in bonds issued by such issuers, the total value of the investments in such bonds must not exceed 80% of the respective net sub-fund assets.

(e) The restriction of the total value to 40% of the respective net sub-fund assets set out in point 5(b), first sentence, of this Article does not apply in the cases referred to in (c) and (d).

(f) The investment limits of 10%, 25% and 35% of the net sub-fund assets set out in sections 5(a) to (d) of this Article must not be combined, and thus investments in transferable securities or money market instruments issued by the same body or in deposits or derivative instruments transacted with this body shall not exceed a total of 35% of the net sub-fund assets.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in Council Directive 83/349/EEC of 13 June 1983 on the basis of Article 54(3)(g) of the Treaty on consolidated accounts (OJ L 193, 18 July 1983, p. 1) or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits contained in point 6(a)–(f) of this Article.

Each sub-fund is permitted to invest 20% of its net sub-fund assets on a cumulative basis in transferable securities and money market instruments of one and the same company group.

(g) Without prejudice to the investment limits laid down in Article 48 of the Law of 17 December 2010, the upper limits laid down for the sub-fund in Article 43 of the Law of 17 December 2010 may be raised to a maximum of 20% of the net sub-fund assets for investments in shares and/or debt securities issued by the same body when the aim of the relevant sub-fund's investment policy is to replicate the composition of a certain stock or debt securities index which is recognised by the Luxembourg supervisory authority. However, this is conditional upon the following:

- its composition is sufficiently diversified;
- the index represents an adequate benchmark for the market to which it refers; and
- it is published in an appropriate manner.

The above-mentioned investment limit is increased to 35% of the net sub-fund assets where that proves to be justified by exceptional market conditions, in particular in regulated markets where

certain transferable securities or money market instruments are highly dominant. This investment limit only applies to investments with a single issuer.

If the Investment Company makes use of this option, it will be stated for each sub-fund in the corresponding Annex to this Sales Prospectus.

(h) **Notwithstanding the conditions set forth in Article 43 of the Law of 17 December 2010 and whilst simultaneously observing the principle of risk diversification, up to 100% of the respective net sub-fund assets may be invested in transferable securities and money market instruments issued or guaranteed by an EU Member State, its local authorities, an OECD Member State or international bodies to which one or more EU Member States belong. The respective net sub-fund assets must hold transferable securities from at least six different issues, but transferable securities from any single issue must not exceed 30% of the respective net sub-fund assets**.

(i) A sub-fund does not invest more than 10% of its net assets in UCITS or UCIs pursuant to clause 2(e) of this Article, unless otherwise stipulated in the specific Annex to the Sales Prospectus for the respective sub-fund. Insofar as the investment policy of the respective sub-fund provides for an investment of more than 10% of the respective net sub-fund assets in UCITS or UCIs pursuant to clause 2(e) of this Article, points (j) and (k) below shall apply.

(j) The sub-fund may not invest more than 20% of its net sub-fund assets in units of a single UCITS or a single UCI pursuant to Article 41(1)(e) of the Law of 17 December 2010.

For the purposes of applying this investment restriction, each sub-fund of a UCI with several sub-funds is treated as a separate issuer, provided that the principle of the separation of the liabilities of the individual sub-funds is ensured with regard to third parties.

(k) A sub-fund may not invest more than 30% of its net assets in other UCIs than UCITS. If the sub-fund has acquired units of another UCITS and/or other UCI, the assets of the UCITS or other UCI in question are not taken into account in respect of the upper limits referred to in point 5(a)–(f).

(l) If units of another UCITS and/or units of other UCIs managed directly or on the basis of a transfer are acquired by the same management company as the Investment Company (where applicable), or a company with which this management company is connected through common management or control or a significant direct or indirect participation of more than 10% of the capital or votes, no fees may be charged for the subscription or redemption of the units of these other UCITS and/or UCIs by the sub-funds (including front-end load and redemption fees).

Upon acquisition of units in target funds, a management fee may generally be charged at the level of the target fund, and allowance must be made for any front-end load or redemption fees, if applicable. The Investment Company will not invest in target funds which are subject to a management fee of more than 3% p.a. The Investment Company's annual report will contain information on the maximum level of the management fee that may be charged to the sub-fund and the target funds.

(m) A sub-fund of an umbrella fund may also invest in other sub-funds of the same umbrella fund. In addition to the conditions for investing in target funds mentioned above, the following conditions apply to investments in target funds that are also sub-funds of the same umbrella fund:

- Circular investments are not permitted. This means that the target sub-fund may not invest in the sub-funds of the same umbrella fund that is invested in this target sub-fund;

- The sub-funds of an umbrella fund that are to be acquired by other sub-funds of the same umbrella fund may in turn, pursuant to their Articles of Association, invest a maximum of 10% of their assets in other target funds;
- Voting rights resulting from holding units in target funds that are simultaneously target funds of the same umbrella fund are suspended as long as these units of a sub-fund of the same umbrella fund are held. This rule does not affect the appropriate recording of such in the annual accounts and the periodic reports.
- As long as a sub-fund holds units in another sub-fund of the same umbrella fund, the units of the target sub-fund are not taken into account in the calculation of net asset value, insofar as the calculation serves to determine whether the legal minimum capital of the umbrella fund has been reached.

(n) The Management Company is not permitted to use the UCITS pursuant to Part I of the Law of 17 December 2010 under its management in order to acquire a quantity of shares with voting rights which would enable it to exercise a significant influence on the management of an issuer.

(o) Furthermore, the following may be acquired for the sub-fund:

- up to 10% of non-voting shares of a single issuer,
- up to 10% of the debt securities of a single issuer,
- not more than 25% of the units of a single UCITS and/or UCI and
- not more than 10% of the money market instruments of a single issuer.

issuer.

(p) The investment limits stated in point 5(n) and (o) do not apply in the case of:

- transferable securities and money market instruments which are issued or guaranteed by an EU Member State or its local authorities, or by a state which is not a member of the European Union;
- transferable securities and money market instruments which are issued by an international public authority to which one or more EU Member States belong;
- shares held by a sub-fund in the capital of a company incorporated in a non-Member State which mainly invests its assets in transferable securities of issuers having their registered offices in that country, where under the legislation of that country such a holding represents the only way in which the sub-fund can invest in the transferable securities of issuing bodies of that country. However, this exception shall only apply under the condition that the company of the non-EU Member State complies in its investment policy with the limits laid out in Articles 43, 46 and 48(1) and (2) of the Law of 17 December 2010. If the limits set out in Articles 43 and 46 of the Law of 17 December 2010 are exceeded, Article 49 of the Law of 17 December 2010 shall apply *mutatis mutandis;*
- shares held by one or more investment companies in the capital of a subsidiary performing, in the country where that subsidiary is established, administrative, advisory or sales activities

exclusively on behalf of said investment company or companies with regard to unit redemptions requested by investors.

6. Liquid assets

The sub-fund may also hold liquid assets in the form of investment accounts (current accounts) and overnight money, which may, however, be held only on an ancillary basis.

7. Subscription rights

On exercise of subscription rights linked to transferable securities or money market instruments which are part of its assets, a UCITS does not necessarily need to meet the investment limits stated in this Article.

If the investment limits stated in this Article are not followed or exceeded in the event of exercise of subscription rights, the Management Company must endeavour as a priority to normalise the position, giving consideration to the interests of the shareholders.

While ensuring observance of the principle of risk diversification, recently authorised UCITS may deviate from the investment limits stated in point 5(a)–(l) for six months following the date of their authorisation.

8. Restrictions on borrowing and pledging

a) The respective sub-fund must not be pledged or otherwise encumbered, transferred or ceded as collateral, unless this involves borrowing in the sense of (b) below or the provision of collateral within the scope of the settlement of transactions in financial instruments.

b) Loans encumbering a particular sub-fund may only be taken out for a short period of time and may not exceed 10% of the net sub-fund assets. An exception to this is the acquisition of foreign currencies through “back-to-back” loans.

c) Loans may not be granted nor may guarantee commitments be entered into for third parties to the detriment of a sub-fund, however, this does not prevent the acquisition of yet fully paid-up transferable securities, money market instruments or other financial instruments pursuant to Article 41(1)(e), (g) and (h) of the Law of 17 December 2010.

9. Additional investment guidelines

The short-selling of transferable securities is not permitted.

Sub-fund assets must not be invested in real estate, precious metals or certificates concerning precious metals, precious metal contracts, goods or goods contracts.

10. The investment restrictions referred to in this Article relate to the point in time at which transferable securities are acquired. If the percentages are subsequently exceeded through price changes or for reasons other than purchases, the Management Company shall seek to return to the specified limits without delay, taking into account the interests of the shareholders.

**Tax-related investment restrictions**

If the sub-fund’s specific investment policy in the relevant Annex to the Sales Prospectus specifies that the sub-fund is an equity fund or a mixed fund, the following conditions shall apply in conjunction with the aforementioned supervisory investment restrictions:

An equity fund is a sub-fund which invests more than 50% of its net sub-fund assets in equity participations on an ongoing basis.

A mixed fund is a sub-fund which invests at least 25% of its net sub-fund assets in equity participations on an ongoing basis.

When calculating the level of assets invested in equity participations, the loans are deducted accordingly from the share of equity participations in the value of all assets (modified net sub-fund assets).

Equity participations are:

1. Units in a corporation that are admitted for trading on a stock exchange or another organised market,
2. units in a corporation that is not a real estate company and which
   (a) is domiciled in a member state of the European Union or in another state party to the Agreement on the European Economic Area where it is subject to and not exempt from corporation tax, or
   (b) is resident in a third country where it is subject to and not exempt from corporation tax of at least 15%,
3. Investment units in equity funds which invest more than 50% of their modified net sub-fund assets or more than 50% of their active assets in the aforementioned units in corporations amounting to 51% of their value according to their investment conditions; if an equity fund stipulates a percentage that is higher than 51% of its value in its investment conditions, the investment unit at the level of this higher percentage shall be deemed as the equity participation by way of derogation
4. Investment units in mixed funds which invest at least 25% of their modified net sub-fund assets or at least 25% of their active assets in the aforementioned units in corporations amounting to 25% of their value according to their investment conditions; if a balanced fund stipulates a percentage that is higher than 25% of its value in its investment conditions, the investment unit at the level of this higher percentage shall be deemed as the equity participation by way of derogation, or
5. Units in other investment funds which perform a valuation at least once a week in the amount of the ratio of their value published on the valuation day at which they actually invest in the aforementioned units in corporations.

## II. Duration, merger and liquidation of the Investment Company or of one or more sub-funds

### Article 5 Duration of the Investment Company

The Investment Company has been set up for an indefinite duration.

### Article 6 Merger of the Investment Company or of one or more sub-funds

1. Pursuant to a resolution of the general meeting and in accordance with the conditions outlined below, the Investment Company may decide to transfer the Investment Company to another UCITS managed by the same management company or by another management company. In the case of mergers where the absorbed Investment Company ceases to exist as a result of the merger, the effective date of the merger must be certified by a notary.
2. Pursuant to a resolution of the Board of Directors of the Investment Company, a sub-fund of the Investment Company may be merged into another sub-fund of the Investment Company or another UCITS or sub-fund of another UCITS.
3. The merger(s) stated in clauses 1 and 2 above may be decided on in the following cases in particular:

- insofar as the net fund assets or net sub-fund assets on a valuation day have fallen below an amount which appears to be a minimum amount for the purpose of managing the Fund or sub-fund in a manner which is economically viable. The Investment Company has set this amount at EUR 5 million;

- if, due to a significant change in the economic or political climate or for reasons of economic viability, it does not appear to make economic sense to manage the Fund or sub-fund.

4. The general meeting shall also vote on the joint merger plan. The resolutions of the general meeting concerning a merger require at least a simple majority of the votes of those shareholders present or represented. In the case of mergers where the absorbed Investment Company ceases to exist as a result of the merger, the effective date of the merger must be certified by a notary. In the event of mergers of individual sub-funds, only the consent of the shareholders affected by the merger of the sub-funds in question is required.

5. The Board of Directors of the Investment Company may decide to absorb another fund or sub-fund managed by the same or by another management company into the Investment Company or a sub-fund of the Investment Company.

6. Mergers are possible between two Luxembourg funds or sub-funds (domestic merger) or between funds or sub-funds that are based in two different Member States (cross-border merger).

7. A merger may only be implemented if the investment policy of the Investment Company or fund/sub-fund to be absorbed does not contradict the investment policy of the absorbing UCITS.

8. Mergers shall be implemented by way of the liquidation of the fund/sub-fund to be absorbed and a simultaneous takeover of all assets by the absorbing fund or sub-fund. The shareholders of the absorbed fund receive shares in the absorbing fund, with the number of these shares being calculated based on the ratio of the unit values of the funds in question at the time of merger, along with any settlement of fractional shares.

9. Both the absorbing fund or sub-fund and the absorbed fund or sub-fund will inform shareholders of the planned merger in an appropriate manner and in line with the legal requirements of the respective countries of distribution of the absorbing or absorbed fund or sub-fund.

10. The shareholders in the absorbing and the absorbed fund or sub-fund have the right, within 30 days and at no additional charge, to request the redemption of all or part of their shares at the current net asset value or, if possible, the exchange for shares in another fund with a similar investment policy managed by the same management company or by another company with which the Management Company is linked by common management or control or by a substantial direct or indirect holding. This right becomes effective from the date on which the shareholders of the absorbed and absorbing funds have been informed of the planned merger, and it expires five banking days before the date of calculation of the conversion ratio.

11. In the case of a merger between two or more funds or sub-funds, the funds or sub-funds in question may temporarily suspend the subscription, redemption and conversion of shares if such suspension is justified to protect the shareholders.

12. Implementation of the merger will be audited and confirmed by an independent auditor. A copy of the auditor's report will be made available at no charge to the shareholders in the absorbing and the absorbed funds or sub-funds, as well as to the respective supervisory authority.

13. The above equally applies to the merger of two sub-funds within the Investment Company.

**Article 7 Liquidation of the Investment Company or of one or more sub-funds**

1. The Investment Company may be liquidated by decision of the general meeting. This decision shall be subject to the provisions specified for amending the Articles of Association.

   - If the assets of the Investment Company fall below two-thirds of the minimum capital, the Board of Directors of the Investment Company is required to convene a general meeting to discuss whether to liquidate the Investment Company. Liquidation shall be decided on by simple majority of shares present and/or represented.
   - If the assets of the Investment Company fall below one quarter of the minimum capital, the Board of Directors of the Investment Company must also convene a general meeting to discuss whether to liquidate the Investment Company. Liquidation in this case shall be decided by a majority of 25% of shares present and/or represented at the general meeting.

   The aforementioned general meetings shall be convened within 40 days of the discovery of the fact that the assets of the Investment Company have fallen to less than two-thirds or less than one quarter of the minimum capital.

   The resolution of the general meeting to liquidate the Investment Company shall be published in line with the applicable legislative provisions.

2. A sub-fund of the Investment Company may be liquidated by resolution of the Board of Directors of the Investment Company. A liquidation may in particular be decided on in the following cases:
   - if the net sub-fund assets on a valuation day have fallen below an amount which is deemed to be a minimum amount for the purpose of managing the sub-fund in an economically viable manner. The Investment Company has set this amount at EUR 5 million;
   - if, due to a significant change in the economic or political climate or for reasons of economic viability, it does not appear to make economic sense to manage the sub-fund.
3. Unless otherwise decided by the Board of Directors, the Investment Company or a sub-fund shall cease to issue or exchange shares in the Investment Company or a sub-fund from the date of the liquidation decision until the liquidation is implemented. The redemption of shares will continue to be possible if the equal treatment of the shareholders is ensured.
4. Any net liquidation proceeds not claimed by shareholders before the end of the liquidation process shall be forwarded on behalf of the entitled shareholders to the Caisse des Consignations in the Grand Duchy of Luxembourg by the Depositary after the end of the liquidation process. These sums shall be forfeited if they are not claimed within the statutory period.

## III. The sub-funds and their durations

**Article 8 The sub-funds**

1. The Investment Company consists of one or more sub-funds. The Board of Directors of the Investment Company may decide to launch further sub-funds at any time. In this case, the Sales Prospectus shall be amended accordingly.

2. In terms of the relationship between shareholders, each sub-fund is regarded as an independent investment fund. The rights and obligations of the shareholders of a sub-fund are separate from those of the shareholders of the other sub-funds.

3. Each individual sub-fund shall only be liable for claims of third parties incurred by that specific sub-fund.

**Article 9 Duration of the individual sub-funds**

One or more sub-funds may be set up for specific periods.

## IV. Company capital and shares

**Article 10 Company capital**

The capital of the Investment Company shall at all times correspond to the total of the net sub-fund assets of all the sub-funds ("net fund assets") of the Investment Company pursuant to Article 12(4) of these Articles of Association and is represented by fully paid-up shares of no par value.

Upon foundation, the Investment Company's capital amounted to EUR 31,000, divided into 310 shares of no par value and will at all times be equal to the net asset value of the Investment Company.

Pursuant to the law of the Grand Duchy of Luxembourg, the minimum capital of the Investment Company must be equivalent to EUR 1,250,000 and this must be attained within a period of six months after approval of the Investment Company by the Luxembourg supervisory authority. The basis for this will be the net fund assets of the Investment Company.

**Article 11 Shares**

1. Shares are shares in the respective sub-fund. Shares shall be issued in the denominations determined by the Investment Company. Fund shares shall be issued in the certificates and denominations stated in the Annex. Registered shares shall be documented by the Registrar and Transfer Agent in the share register kept for the Investment Company. Confirmation of entry in the share register shall be sent to the shareholders at the address specified in the share register. All disclosures and notifications to shareholders by the Investment Company shall be sent to this address. Investors are not entitled to the delivery of physical certificates. Details of the type of shares issued by each sub-fund are contained in the corresponding Annex to this Sales Prospectus.

2. In order to ensure the smooth transfer of shares, an application shall be made for the shares to be held in collective custody.

3. The Board of Directors is authorised to issue an unlimited number of fully paid-up shares at any time, without being required to grant existing shareholders a preferential right of subscription to newly issued shares.

4. In principle, all shares in a sub-fund have the same rights, unless the Board of Directors decides to issue different share classes within the same sub-fund pursuant to clause 7 below.

5. The Board of Directors may decide, from time to time, to establish two or more share classes within a sub-fund. The share classes may differ from one another in their characteristics and rights, their use of income, fee structures, the shareholders (shareholder group) that may acquire and hold shares, or other specific characteristics and rights. From the date of issue, all shares entitle the holder or bearer to participate equally in income, share price gains and liquidation proceeds in their particular share class. Insofar as share classes are established for a particular sub-fund, details of the specific characteristics or rights for each share class can be found in the relevant Annex to the Sales Prospectus.

6. Pursuant to a resolution of the Board of Directors of the Investment Company, share classes of the sub-funds may be subject to a share split.

7. Pursuant to a resolution of the Board of Directors of the Investment Company, share classes of a sub-fund/the Fund may be merged.

**Article 12 Calculation of the net asset value per share**

1. The net company assets of the Investment Company are denominated in euro (EUR) ("reference currency").

2. The value of a share ("net asset value per share") is denominated in the currency laid down in the Annex to the Sales Prospectus ("sub-fund currency") insofar as no other currency is stipulated for any other share classes in the respective Annex to the Sales Prospectus ("share class currency").

3. The net asset value per share is calculated by the Management Company or a third party commissioned by it for this purpose, under the supervision of the Depositary, on each day specified in the Annex with the exception of 24 and 31 December of each year ("valuation day") and rounded off to two decimal places. The Board of Directors of the Investment Company may decide on a different arrangement for individual sub-funds, in which case it should be taken into account that the net asset value per share should be calculated at least twice a month.

4. In order to calculate the net asset value per share, the value of the assets of each sub-fund less the liabilities of each sub-fund is determined on each valuation day ("net sub-fund assets"), and this figure is divided by the number of shares in circulation on the valuation day. The Investment Company may, however, decide to determine the net asset value per share on 24 and 31 December without these valuations being considered to be calculations of the net asset value per share on a valuation date within the meaning of the preceding sentence 1 of this clause 4. Consequently, shareholders may not demand the issue, redemption and/or the exchange of shares on the basis of a net asset value per share that is determined on 24 December and/or 31 December of any given year.

5. If applicable legal regulations or the provisions of these Articles of Association require the situation of the net company assets to be described in the annual or semi-annual reports and other financial statistics, the assets of the relevant sub-fund will be converted into the reference currency. Net sub-fund assets are calculated according to the following principles:

   (a) Transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets officially listed on a securities exchange are valued at the latest available trade price which provides a reliable valuation on the trading day preceding the valuation day.

   The Management Company may stipulate for individual sub-funds that transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets officially listed on a securities exchange are valued at the latest available closing price which provides a reliable valuation. Details on this can be found in the Annexes to the relevant sub-funds.

   If transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets are officially listed on several stock exchanges, the one with the highest liquidity shall be applicable.

   (b) Transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets which are not officially listed on a securities exchange (or whose stock exchange rate is not deemed representative, e.g. due to lack of liquidity) but which are traded on another regulated market, shall be valued at a price no less than the bid price and no more than the offer price of the trading day preceding the valuation day, and which the Management Company considers in good faith to be the best possible price at which the transferable securities, money

market instruments, derivative financial instruments (derivatives) and other investments can be sold.

For individual sub-funds, the Management Company may stipulate that transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets which are not officially listed on a securities exchange (or whose stock exchange rates are not deemed representative, e.g. due to lack of liquidity) but which are traded on another regulated market be valued at the latest available price which the Management Company considers in good faith to be the best possible price at which the transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets can be sold. Details on this can be found in the Annexes to the relevant sub-funds.

(c) OTC derivatives are valued on a daily basis by a procedure which can be stipulated and verified by the Management Company.

(d) Units in UCITS/UCIs are determined at the last redemption price set before the valuation day or are valued at the latest available price which provides a reliable valuation. If the redemption is suspended or no redemption prices are established for certain investment units, these units and all other assets will be valued at their appropriate market value, as determined in good faith by the Management Company in line with generally accepted and verifiable valuation rules.

(e) If the prices in question are not fair market prices, if the financial instruments under (b) are not traded on a regulated market, and if no prices are set for financial instruments different from those listed under (a)–(d), then these financial instruments and the other legally permissible assets shall be valued at their current market value, which shall be established in good faith by the Management Company on the basis of generally accepted and verifiable valuation rules (e.g. suitable valuation models taking account of current market conditions).

(f) Liquid assets are valued at their par value plus interest.

(g) Amounts due (e.g. deferred interest claims and liabilities) shall, in principle, be rated at their par value.

(h) The market value of transferable securities, money market instruments, derivatives and other assets denominated in a currency other than the relevant sub-fund currency shall be converted into the sub-fund currency at the exchange rate of the trading day preceding the valuation day, using WM/Reuters fixing at 17:00 (16:00 GMT). Profits and losses from foreign exchange transactions shall, on each occasion, be added or subtracted.

The Management Company may stipulate for individual sub-funds that transferable securities, money market instruments, derivative financial instruments (derivatives) and other assets denominated in a currency other than that of the sub-fund be converted into the sub-fund currency at the exchange rate of the valuation day. Profits and losses from foreign exchange transactions shall, on each occasion, be added or subtracted. Details on this can be found in the Annexes to the relevant sub-funds.

The net assets of the individual sub-fund will be reduced by any distributions paid to the shareholders of the relevant sub-fund, where applicable.

6. The net asset value per share is calculated separately for each sub-fund pursuant to the aforementioned criteria. However, if a sub-fund contains different share classes, the share value will be calculated separately for each share class within the sub-fund pursuant to the aforementioned criteria.

**Article 13 Suspension of the calculation of the net asset value per share**

1. The Management Company is entitled to temporarily suspend calculation of the net asset value per share if and as long as circumstances exist necessitating the suspension of calculations and if the suspension is justifiable taking into account the interests of the shareholders, in particular:

   (a) during times when a stock exchange or other regulated market on which a significant proportion of the assets are officially listed or traded is closed (other than for public or bank holidays) or trading on such stock exchange or on the relevant market is suspended or restricted;

   (b) in emergencies, if the Investment Company cannot obtain access to the sub-fund's assets or is unable to freely transfer the transaction value of investment purchases or sales or properly calculate the net asset value per share.

   (c) if, as a result of disruptions in the communications network or for any other reason, it is not possible to calculate the value of an asset in a sufficiently timely or accurate manner.

2. While the calculation of the net asset value per share has been temporarily suspended, the issue, redemption and exchange of shares will also be temporarily suspended. The temporary suspension of the calculation of the net asset value per share within a sub-fund shall not lead to a temporary suspension with regard to other sub-funds that are not affected by the event.

3. Shareholders who have placed a subscription, redemption or exchange order shall be immediately informed that the calculation of the net asset value per share has been suspended. Subscription, redemption or exchange orders shall not be processed whilst the calculation of the net asset value per share is suspended.

4. Subscription, redemption and exchange orders shall automatically become invalid if the calculation of the net asset value per share is suspended.

5. The suspension and resumption of the calculation of the net asset value shall be published in the media specified for investor information purposes.

**Article 14 Issue of shares**

1. Shares are issued on the initial issue date of a sub-fund or within the initial issue period of a sub-fund at the initial share value / initial issue price set forth in the respective Annex to the sub-fund (plus the front-end load paid to the respective intermediary). In conjunction with this initial issue amount or this initial issue period, shares will be issued on the valuation day at the issue price. The issue price is the net asset value per share pursuant to Article 12(4) of the Articles of Association, plus any front-end load payable to the respective issuer, the maximum amount of which is listed for each sub-fund in the respective Annex to this Sales Prospectus. The issue price may be increased by fees or other charges payable in the countries where the Fund is distributed.

2. Subscription orders for the acquisition of registered shares may be submitted to the Management Company and any sales agent. These receiving entities must immediately forward all subscription orders to the Registrar and Transfer Agent. Receipt by the Registrar and Transfer Agent (“reference agent”) is decisive. This agent accepts the subscription orders on behalf of the Management Company.

   Purchase orders for the acquisition of bearer shares are forwarded to the Registrar and Transfer Agent by the entity at which the applicant holds his custody account. Receipt by the Registrar and Transfer Agent is decisive. This agent accepts the subscription orders on behalf of the Management Company.

Complete and correctly filled in subscription orders for registered shares and purchase orders for bearer shares received by the competent agency no later than the time stated in the Sales Prospectus on a valuation day shall be settled at the issue price of the following valuation day, provided that the equivalent value for the subscribed shares is available. The Management Company shall ensure that the shares are issued on the basis of a net asset value per share unknown to the shareholder at the time the order is placed. If, however, an applicant is suspected of engaging in late trading or market timing, the Management Company may reject the subscription order until the applicant has cleared up any doubts with regard to his subscription order. Complete subscription orders of registered shares and purchase orders for bearer shares received by the competent agent after the time stated in the Sales Prospectus for each valuation day are allocated at the issue price of the day after the second following valuation day, provided that the equivalent value for the subscribed registered shares is available.

Immediately following receipt of the issue price by the Depositary, the registered shares shall be allocated by the Registrar and Transfer Agent on behalf of the Management Company and transferred by entry in the share register.

Bearer shares will be transferred after settlement at the Registrar and Transfer Agent via so-called payment / delivery transactions step by step, i.e. against payment of the out-paying investment amount to the point at which the subscriber maintains his custody account.

The issue price is payable at the Depositary in Luxembourg in the respective sub-fund currency within the number of banking days specified in the Annex to the sub-fund after the corresponding valuation day.

If the transaction value of the shares for subscription is not available at the competent agent at the time of receipt of the complete subscription request or if the subscription order is incorrect or incomplete, the subscription request shall be regarded as having been received by the reference agent on the date on which the transaction value of the subscribed shares becomes available or the subscription order is submitted properly.

If the transaction value is deducted from the relevant sub-fund's assets, in particular due to the cancellation of a payment instruction, the non-clearance of funds or for other reasons, the Management Company shall recall the respective shares in the interests of the Fund. Any differences arising from the recall of shares that have a negative effect on the sub-fund assets must be borne by the applicant.

**Article 15 Restrictions on and the suspension of the issue of shares**

1. The Management Company may at any time, at its discretion and without giving reasons reject a subscription order or temporarily restrict or suspend or permanently discontinue the issue of shares or buy back shares against payment of the redemption price, if this is deemed necessary in the interests of the shareholders, of the public or to protect the Investment Company or the shareholders. This applies in particular if:

   (a) there is a suspicion that the respective shareholder will, on acquiring the shares, engage in market timing, late trading or other market techniques that could be harmful to the shareholders as a whole,

   (b) the shareholder does not fulfil the conditions for acquiring shares, or

   (c) the shares have been acquired by a person who appears to have ties to the US, the shares have been sold in a state or acquired by a person in a state where the Fund is not authorised for sale or where the acquisition of shares by such shareholders (e.g. U.S. citizens) is not permitted.

2. In such cases, the Registrar and Transfer Agent or the Depositary shall immediately repay any incoming payments received, without interest, for subscription orders that have not already been processed.

3. The issue of shares shall in particular be temporarily suspended if the calculation of the net asset value per share is suspended.

**Article 16 Redemption and exchange of shares**

1. Shareholders are entitled at all times to request the redemption of their shares at the net asset value per share pursuant to Article 12(4) of the Articles of Association less any redemption fee ("redemption price"), if applicable. This redemption will only be carried out on a valuation day. If a redemption fee is payable, then the maximum amount of this redemption fee for each sub-fund is listed in the relevant Annex to this Sales Prospectus.

   In certain countries, the payment of the redemption price may be reduced by local taxes and other charges. The corresponding share is cancelled upon payment of the redemption price.

2. Payment of the redemption price, as well as any other payments to shareholders, shall be made via the Depositary or the paying agents. The Depositary is only obliged to make payment insofar as there are no legal provisions, such as exchange control regulations or other circumstances beyond the Depositary's control, prohibiting the transfer of the redemption price to the country of the applicant.

   The Management Company may buy back shares unilaterally against payment of the redemption price, insofar as this is in the interests of or in order to protect the shareholders, the Investment Company or a sub-fund, in particular if

   (a) there is a suspicion that the respective shareholder will, on acquiring the shares, engage in market timing, late trading or other market techniques that could be harmful to the shareholders as a whole,

   (b) the shareholder does not fulfil the conditions for acquiring shares, or

   (c) the shares have been acquired from a U.S. person who appears to have ties to the U.S., it has been discovered that the shareholder has ties to the U.S. following the acquisition, the shares have been sold in a state or acquired by a person (e.g. a U.S. citizen) in a state where the Fund is not authorised for sale or where such persons are not permitted to acquire shares.

3. The exchange of all shares or of some of said shares for shares in another sub-fund shall take place on the basis of the net asset value per share of the relevant sub-fund in accordance with Article 12(4) of these Articles of Association, taking into account an exchange fee. This fee is payable to any sales agent and is set at a maximum of 1% of the net asset value per share of the shares to be subscribed to, but must total at least the difference between the front-end load of the sub-fund of the shares to be exchanged and that of the sub-fund into which the exchange is made. If it is not possible to exchange shares or if no exchange fee is payable, this shall be stated in the relevant Annex to the Sales Prospectus for the sub-fund in question.

   In the event that different share classes are offered within a sub-fund, it is also possible to exchange shares of one class for shares of another class within the same sub-fund, unless otherwise stated in the relevant Annex to this Sales Prospectus. In this case, no exchange fee is charged.

   The Management Company may reject an order for the exchange of shares within a particular sub-fund or share class, if this is deemed in the interests of the Investment Company or the sub-fund or in the interests of the shareholders. This applies in particular if:

(a) there is a suspicion that the respective shareholder will, on acquiring the shares, engage in market timing, late trading or other market techniques that could be harmful to the shareholders as a whole,

(b) the shareholder does not fulfil the conditions for acquiring shares, or

(c) the shares have been acquired by a person who appears to have ties to the U.S., it has been discovered following the acquisition that the shareholder has ties to the U.S., the shares are sold in a state where the relevant sub-fund or share class is not authorised for sale or have been acquired by a person (e.g. a U.S. citizen) who is not permitted to acquire the shares.

4. Complete orders for the redemption or exchange of registered shares can be submitted to the Management Company, any sales agent or the paying agents. The receiving agents are obliged to immediately forward the redemption or exchange orders to the Registrar and Transfer Agent. Receipt by the Registrar and Transfer Agent is decisive.

An order for the redemption or exchange of registered shares shall only be deemed complete if it contains the name and address of the shareholder, the number and/or transaction value of the shares to be redeemed or exchanged, the name of the relevant sub-fund and the signature of the shareholder.

Complete sales orders for the redemption of bearer shares will be forwarded to the Registrar and Transfer Agent by the agent with whom the shareholder holds his custody account. Receipt by the Registrar and Transfer Agent is decisive. The exchange of bearer shares is excluded.

Complete redemption/sales orders or complete exchange orders received by the competent agent no later than the time stated in the Sales Prospectus on a valuation day shall be settled at the net asset value per share of the following valuation day less any applicable redemption fees and/or an exchange fee. The Management Company shall ensure that shares are redeemed or exchanged on the basis of a net asset value per share that is not known to the shareholder in advance. Complete redemption/sales orders or complete exchange orders received by the reference agent no later than the time stated in the Sales Prospectus on a valuation day shall be settled at the net asset value per share of the second following valuation day less any applicable redemption fees and/or an exchange fee.

The redemption price is payable in the respective sub-fund currency or, if there are several share classes, in the respective share class currency, within the number of banking days stipulated in the Annexes to the Sales Prospectus after the relevant valuation day. In the case of registered shares, payment is made to the account specified by the shareholder.

5. The Management Company must temporarily suspend the redemption or exchange of shares due to the suspension of the calculation of the net asset value.

6. Subject to prior approval from the Depositary and while preserving the interests of the shareholders, the Management Company shall only be entitled to process significant volumes of redemptions after selling corresponding assets of the respective sub-fund without delay. In this case, the redemption shall be carried out at the redemption price valid at that time. The same shall apply for orders for the exchange of shares. The Management Company shall, however, ensure that the respective sub-fund has sufficient liquid assets at its disposal such that, under normal circumstances, the redemption or exchange of shares may take place immediately upon application from shareholders.

## V. General meeting

### Article 17 Rights of the general meeting

A properly convened general meeting represents all the shareholders of the Investment Company. The general meeting has the authority to initiate and confirm all dealings of the Investment Company. The resolutions of the general meeting are binding on all shareholders, insofar as these resolutions are in accordance with Luxembourg law and these Articles of Association, in particular insofar as they do not interfere with the rights of the separate meetings of shareholders of a particular share class or sub-fund.

### Article 18 Convening

1. The annual general meeting will be held, pursuant to Luxembourg law, in Luxembourg at the Company's registered office or at any other location in the commune where its registered office is located, as stated in the convening notice, at 15:00 on the second Friday in May of each year, and for the first time in 2020. Where this day is a bank holiday in Luxembourg, the annual general meeting will be held on the next banking day in Luxembourg. The annual general meeting may be held abroad if the Board of Directors deems necessary due to prevailing extraordinary circumstances. A resolution of this kind by the Board of Directors may not be contested.

2. Pursuant to the applicable legislative provisions, the shareholders may also be called to a meeting convened by the Board of Directors. A meeting may also be convened at the request of shareholders representing at least one tenth of the assets of the Investment Company.

3. The convening notice must contain the agenda and be sent to all holders of registered shares at the addresses stated in the share register at least 8 days before the meeting. The convening notice and the agenda shall be brought to the attention of the owners of bearer shares in accordance with the applicable legal provisions.

4. The agenda shall in principle be drawn up by the Board of Directors. At the request of shareholders representing at least one tenth of the assets of the Investment Company, the Board of Directors shall amend or supplement the agenda. Any such request made by the shareholders must reach the Board of Directors of the Investment Company at least 5 days before the meeting. The Board of Directors shall notify the new agenda to the shareholders immediately. In cases where the general meeting is held at the written request of shareholders representing at least one tenth of the assets of the Investment Company, the agenda shall be drawn up by the shareholders. The latter shall be attached to the written request for convening the extraordinary general meeting. In this case, the Board of Directors may draw up an additional agenda.

5. Extraordinary general meetings of shareholders shall be held at the time and place specified in the notice of the extraordinary general meeting.

6. The conditions specified in points 2–5 above shall apply accordingly for separate meetings of shareholders for one or several sub-funds or share classes.

### Article 19 Quorum and voting

General meetings or separate meetings of shareholders convened for one or several sub-funds or share classes must be conducted in accordance with the applicable statutory provisions, unless otherwise specified in these Articles of Association.

In principle, all shareholders are entitled to participate in the general meetings of shareholders. All shareholders may be represented at the meeting by appointing another person as an authorised representative in writing.

In the case of meetings held for specific sub-funds or share classes, only shareholders who hold shares in the corresponding sub-fund or share class may participate. At such meetings, only resolutions concerning the specific sub-fund or share class in question may be passed. The Board of Directors may allow shareholders to attend general meetings through a video conferencing facility or other communication methods if these methods enable the shareholders to be identified and effectively participate in the general meeting uninterrupted.

Proxies, whose form may be specified by the Board of Directors, must be deposited at the registered office of the Company at least five days before the general meeting.

All shareholders and shareholders' representatives present must sign the attendance register drawn up by the Board of Directors before entering the general meeting.

The Board of Directors may set other conditions (e.g. the blocking of shares held in a transferable securities account by the shareholder, presentation of a blocking certificate, presentation of a proxy) to be met by the shareholders in order to participate in general meetings. In addition, the Board of Directors may suspend the voting rights of those shareholders who fail to meet their obligations to the Company.

The general meeting shall deliberate on all matters laid down in the Law of 10 August 1915 and the Law of 17 December 2010; resolutions shall be passed in the form and with the relevant quorum/majorities required by these laws. Unless otherwise stated in the aforementioned laws or these Articles of Association, the resolutions voted on by a properly convened general meeting shall be passed by simple majority of the shareholders present and voting.

Each share is entitled to one vote. To this end, fractional shares are ineligible.

Matters concerning the Investment Company as a whole are voted on jointly by the shareholders. However, separate votes shall be cast on matters affecting only one or more sub-funds or one or more share classes.

Resolutions of the general meeting shall be binding on all shareholders, insofar as these are in accordance with the law of the Grand Duchy of Luxembourg and these Articles of Association, in particular insofar as they do not interfere with the rights of the separate meetings of shareholders of a particular share class. If there is a separate vote for one or more share classes, the relevant resolutions shall be binding upon all shareholders of those share classes.

**Article 20 Chairman, scrutineer and secretary**

1. The general meeting shall be chaired by the Chairman of the Board of Directors or, in his absence, by a chairman elected from the general meeting.

2. The Chairman shall appoint a secretary, who does not necessarily have to be a shareholder, and a scrutineer shall be appointed from among those eligible to attend the general meeting.

3. The minutes of the general meeting of shareholders shall be signed by the chairman, the scrutineer and the secretary of each general meeting as well as by any shareholders who so request.

4. Copies and extracts to be drawn up by the Investment Company shall be signed by the Chairman of the Board of Directors or by two members of the Board of Directors.

## VI. Board of Directors

### Article 21 Composition

1. The Board of Directors shall consist of at least three members who shall be appointed by the general meeting of shareholders and who must not be shareholders in the Investment Company.

   The first appointment to the Board of Directors is made by the general meeting that takes place following the formation of the Company.

   At the general meeting, a new member who does not yet belong to the Board of Directors may only be selected as a member of the Board of Directors if

   a. this person has been proposed by the Board of Directors, or

   b. a shareholder who is fully entitled to vote at the general meeting convened by the Board of Directors shall inform the Chairman - or if this is not possible, another member of the Board of Directors - in writing not less than six and not more than thirty days before the scheduled date of the general meeting, of his intention to propose a person other than himself for election or re-election, together with written confirmation that he wishes to be put forward for election. However, the chairman of the general meeting of shareholders, subject to the unanimous agreement of all shareholders present at the meeting, may waive the requirement for the aforementioned written notice and propose that this person be put forward for election.

2. The general meeting shall determine the number of members of the Board of Directors, as well as their term of office. A term of office may not exceed a period of six years. A director may be re-elected.

3. If a member of the Board of Directors leaves before the end of his term of office, the remaining members of the Board of Directors appointed by the general meeting may appoint a temporary successor until the next general meeting (co-option). The successor appointed in this way shall complete his predecessor's term of office and is entitled, along with all other members of the Board of Directors, to determine the temporary successors of other members who have left the Board of Directors.

   The members of the Board of Directors may be dismissed at any time by the general meeting.

### Article 22 Powers

The Board of Directors of the Investment Company is authorised to carry out all transactions necessary or beneficial for fulfilling the Company’s purpose. The Board of Directors is responsible for all matters concerning the Investment Company, unless provision is made in the Law of 10 August 1915 concerning commercial companies (including amendments) or the Articles of Association of the Investment Company that this function is reserved for the general meeting.

The Board of Directors may transfer the day-to-day management of the Investment Company to natural or legal persons who are not necessarily members of the Board of Directors. They are authorised to pay these persons fees and commissions to this effect. The transfer of duties to third parties shall in all cases be subject to the supervision of the Board of Directors.

The Board of Directors is also authorised to pay interim dividends.

### Article 23 Internal organisation of the Board of Directors

The Board of Directors shall appoint a chairman from among its members.

The Chairman of the Board of Directors is responsible for chairing all meetings of the Board of Directors; in his absence, the Board of Directors shall appoint another member of the Board of Directors to this effect.

The Chairman may appoint a secretary, who is not necessarily a member of the Board of Directors and who is responsible for recording the minutes of the Board of Director meetings, as well as the general meeting.

The Board of Directors is authorised to appoint a management company, a fund manager and an investment adviser, and to determine the powers thereof.

**Article 24 Frequency and convening**

The Board of Directors shall be convened by the Chairman or by two members of the Board of Directors at the location specified in the convening notice; the Board of Directors shall meet as often as the interests of the Investment Company require - and at a minimum once a year.

The members of the Board of Directors shall be notified in writing of meetings at least 48 (forty-eight) hours in advance by letter, fax or e-mail, except in emergency situations where it is impossible to comply with the deadline. In this case, detailed grounds shall be given in the notice.

A convening notice is not required if the members of the Board of Directors raise no objection to the form of the invitation, either in person when attending the meeting or in writing by letter, fax or e-mail. Objections to the form of the invitation may only be raised in person at the meeting.

It is not necessary to issue a specific convening notice if a meeting is to take place at a time and place already specified in a resolution passed by the Board of Directors.

**Article 25 Meetings of the Board of Directors**

Each member of the Board of Directors may participate in any Board meetings by appointing another Board member as his representative in writing, i.e. by letter or fax.

Furthermore, any member of the Board of Directors may take part in a Board meeting via a telephone conference or similar communication method which allows all participants at the Board meeting to hear each other. This form of participation is equivalent to personal attendance of the meeting of the Board of Directors.

The Board of Directors shall only be able to pass resolutions if at least half the number of the Board members is present, or represented, at the meeting. Resolutions shall be passed by simple majority of the votes cast by the Board members present or represented. In the event of a tied vote, the chairman of the meeting shall have the casting vote.

The members of the Board of Directors may only pass resolutions at meetings of the Board of Directors of the Investment Company which have been properly convened, except for resolutions passed by written procedure.

The members of the Board of Directors may also pass resolutions by way of a written procedure insofar as all members agree to pass the resolution. Resolutions passed in this way and signed by all members of the Board of Directors are equally valid and enforceable as resolutions passed during a properly convened Board meeting. The signatures of the members of the Board of Directors may be obtained collectively on one single document or individually on several copies of the same document, either by letter or fax.

The Board of Directors may delegate its powers and duties for the day-to-day administration of the Investment Company to natural persons and/or legal entities that are not members of the Board of Directors and may pay these persons and/or entities the fees or commissions set out in Article 35 in return for providing these services.

**Article 26 Minutes**

Resolutions passed by the Board of Directors shall be documented in minutes entered in the register kept for this purpose and signed by the Chairman of the meeting, as well as the secretary.

Copies and extracts of these minutes shall be signed by the Chairman of the Board of Directors or by two members of the Board of Directors.

**Article 27 Authorised signatories**

The Investment Company shall be legally bound by the signatures of two members of the Board of Directors. The Board of Directors may authorise one or more members of the Board of Directors to represent the Investment Company by way of sole signature. Furthermore, the Board of Directors may authorise other legal entities or natural persons to represent the Investment Company either by way of a sole signature or jointly with one member of the Board of Directors or another legal entity or natural person authorised by the Board of Directors.

**Article 28 Incompatibility provisions**

No agreement, settlement or other transaction entered into by the Investment Company with other companies will be influenced or invalidated due to the fact that one or more members of the Board of Directors, directors, managers or authorised agents of the Investment Company have any interests or holdings in any other company or due to the fact that such persons are members of the Board of Directors, shareholders, directors, managers, authorised agents or employees of other companies.

Any such member of the Board of Directors, director, manager or authorised agent of the Investment Company who is simultaneously a member of the Board of Directors, director, manager, authorised agent or employee of another company with which the Investment Company has agreements or has business relations of another kind shall not lose the entitlement to advise, vote and negotiate matters concerning such agreements or transactions.

However, where a member of the Board of Directors, director or authorised agent has a personal interest in any matters pertaining to the Investment Company, this member of the Board of Directors, director or authorised agent of the Investment Company must inform the Board of Directors of this personal interest, whereupon he/she may no longer advise, vote on and negotiate issues connected with the matter concerned. A report on this must be presented to the next general meeting of shareholders.

The term “personal interest”, as used in the previous paragraph, does not apply to any relationships and interests that come into being solely as a result of legal transactions between the Investment Company on the one hand, and the Fund Manager, the Central Administration Agent, the Registrar and Transfer Agent, the sales agent(s) (or a directly or indirectly affiliated company) or any other company appointed by the Investment Company on the other hand.

The above conditions do not apply in cases where the Depositary is party to such an agreement, settlement or other legal transaction. Managing directors, authorised signatories and holders of commercial mandates for the company-wide operations of the Depositary may not be appointed at the same time as an employee of the Investment Company in a day-to-day management capacity. Managing directors, authorised signatories and holders of commercial mandates for company-wide operations of the Investment Company may not be appointed at the same time as an employee of the Depositary in a day-to-day management capacity.

**Article 29 Indemnification**

The Investment Company shall be obliged to hold harmless all members of the Board of Directors, directors, managers or authorised agents, their heirs, executors and administrators against all lawsuits, claims and liability of all kinds, insofar as the affected parties have properly fulfilled their duties. Furthermore, the Investment Company shall reimburse the aforementioned parties all costs, expenses and liabilities incurred as a result of any such lawsuits, legal proceedings, claims and liability.

The right to compensation shall not in any way prejudice other rights enjoyed by the member of the Board of Directors, director, chief executive or the authorised agent.

**Article 30 Management Company**

The Board of Directors of the Investment Company may entrust a Management Company with management of the assets, administration and the distribution of the shares of the Investment Company, assuming full responsibility for this.

The Management Company shall be responsible for the management and administration of the Investment Company. Acting on behalf of the Investment Company, it may take all management and administrative measures and exercise all rights directly or indirectly connected with the assets of the Investment Company, in particular delegate its duties to qualified third parties in whole or in part; it also has the right to obtain advice from third parties, particularly from various investment advisors and/or an investment committee, at its own cost and responsibility.

The Management Company fulfils its obligations with the care of a paid authorised agent (mandataire salarié).

If the Management Company delegates asset management to a third party, only companies that are authorised or registered to exercise fund management activities and that are subject to supervision may be appointed.

Investment decisions, the placement of orders and the selection of brokers are solely the responsibility of the Management Company, insofar as no fund manager has been appointed to manage the Fund's assets.

The Management Company is entitled to authorise third parties to place orders, under its own responsibility and control.

The delegation of duties must not impair the effectiveness of supervision by the Management Company in any way. In particular, the delegation of duties must not obstruct the Management Company from acting in the interests of the shareholders and ensuring that the Investment Company is managed in the best interests of the shareholders.

**Article 31 Fund Manager**

If the Investment Company acts in accordance with Article 30 and the Management Company subsequently outsources the asset management to a third party, the Fund Manager is responsible for implementing the respective sub-fund's investment policy on a daily basis, and managing the day-to-day business associated with asset management, as well as other related services, all under the supervision, responsibility and control of the Management Company. It must perform these tasks in line with the principles of the sub-fund's investment policy and restrictions, as described in these Articles of Association and the Sales Prospectus (including Annex) of the Investment Company, as well as the statutory investment restrictions.

The Fund Manager must be authorised to manage assets and must be subject to proper supervision in its country of registration.

The Fund Manager is authorised to select brokers and traders to carry out transactions using the Investment Company assets. The Fund Manager is responsible for investment decisions and placing orders.

The Fund Manager is entitled to seek advice from third parties, especially from different investment advisers, at its own cost and under its own responsibility.

With the approval of the Management Company, the Fund Manager is permitted to delegate some or all of its duties to third parties, whose remuneration will be borne in full by the Fund Manager.

The Fund Manager shall bear all expenses incurred in connection with the services it performs on behalf of the Investment Company. Commissions for brokers, transaction fees and other transaction costs arising in connection with the purchase and sale of assets are borne by the relevant sub-fund.

## VII. Auditors

### Article 32 Auditors

An auditing company or one or more auditors shall be appointed to audit the annual accounts of the Investment Company; this auditing company or auditor(s) must be approved in the Grand Duchy of Luxembourg and shall be appointed by the general meeting.

The auditor(s) shall be appointed for a term of up to six years and may be dismissed at any time by the general meeting.

Upon expiry of the six-year term, the auditor(s) may be re-elected by the general meeting.

## VIII. General and final provisions

### Article 33 Use of income

1. The Board of Directors may either distribute income generated by a sub-fund to the shareholders of this sub-fund or reinvest this income in the respective sub-fund. Details on this can be found for each sub-fund in the relevant Annex to the Sales Prospectus.

2. Ordinary net income and realised gains may be distributed. Furthermore, unrealised price gains, other assets and, in exceptional cases, equity interests may also be paid out as distributions, provided that the net fund assets do not, as a result of the distribution, fall below the minimum capital set out in Article 10 of these Articles of Association.

3. Distributions shall be paid out on the basis of the shares in circulation on the date of distribution. Distributions may be paid wholly or partially in the form of bonus shares. Any fractions remaining may be paid in cash. Income not claimed five years after publication of notification of a distribution shall be forfeited in favour of the respective sub-fund.

4. Distributions to holders of registered shares shall be paid out via the reinvestment of the distribution amount in favour of the holders of registered shares. If this is not desired, the holder of registered shares may submit an application to the Registrar and Transfer Agent, within 10 days of the receipt of the notification of the distribution, for the payment of the distribution to the account that he specifies. Distributions to holders of bearer shares shall be made in the same manner as the payment of the redemption price to holders of bearer shares.

5. Distributions declared but not paid on distributing bearer shares may no longer be claimed after a period of five years from the payment declaration by the shareholders of such shares, and shall be credited to the relevant sub-fund assets of the Investment Company and, if there are share classes, allocated to the relevant share class. No interest shall be payable on declared distributions from their time of maturity.

### Article 34 Reports

An audited annual report and a semi-annual report will be created for the Investment Company in accordance with legal provisions in Luxembourg.

1. No later than four months after the end of each financial year, the Board of Directors shall publish an audited annual report in accordance with the regulations applicable in the Grand Duchy of Luxembourg.

2. Two months after the end of the first half of each financial year, the Board of Directors shall publish an unaudited semi-annual report.

3. Where necessary for authorisations to distribute in other countries, additional audited and unaudited interim reports may also be drawn up.

**Article 35 Costs**

Each sub-fund shall bear the following costs, provided they arise in connection with its assets:

1. The Management Company may receive a fee payable from the respective sub-fund assets; details on the maximum amount, the calculation and the payment of this fee are contained for each sub-fund in the respective Annex to this Sales Prospectus. VAT shall be added to this fee, as applicable.

   In addition, the Management Company or, if applicable, the Investment Adviser(s)/Fund Manager(s) may also receive a performance fee from the assets of the respective sub-fund. The relevant percentage amount, as well as calculation and payment methods for each sub-fund, can be found in the relevant annex to the Sales Prospectus.

   In return for conducting trading activities, the Management Company receives fees and expenses at the going market rate due for transactions in connection with the sub-fund assets, particularly for transactions in transferable securities and other permitted assets.

2. If a fund manager is contracted, he may receive a fee, payable from the assets of the relevant sub-fund or from the management fee; details of the maximum amount, the calculation and the payment thereof for each sub-fund can be found in the respective annex to this Sales Prospectus. VAT shall be added to this fee, as applicable.

3. If an Investment Adviser is contracted, he may receive a fee, payable from the assets of the relevant sub-fund or from the Management Company fee or that of the fund manager; details of the maximum amount, the calculation and the payment thereof for each sub-fund can be found in the respective Annex to this Sales Prospectus. VAT shall be added to this fee, as applicable.

4. The Depositary as well as the Central Administrative Agent and the Registrar and Transfer Agent shall receive a fee considered to be customary in the banking sector in the Grand Duchy of Luxembourg for the performance of their duties. Details on the amount, calculation and payment are set out in the Annex to the Sales Prospectus. VAT shall be added to these fees, as applicable.

5. If a sales agent is contracted, he may receive a fee payable from the respective sub-fund assets; details of the maximum amount, the calculation and the payment thereof for each sub-fund can be found in the respective Annex to this Sales Prospectus. VAT shall be added to this fee, as applicable.

6. In addition to the aforementioned costs, the sub-fund shall also bear the following costs, provided they arise in connection with its assets:

   (a) costs incurred in relation to the acquisition, holding and disposal of assets, in particular customary bank charges for transactions in transferable securities and other assets and rights of the Fund and/or sub-fund and the safekeeping of such assets and rights, as well as customary bank charges for the safekeeping of foreign investment units abroad;

   (b) all foreign administration and safekeeping charges, which are charged by other correspondent banks and/or clearing agencies (e.g. Clearstream Banking S.A.) for the assets of each sub-fund, as well as all foreign settlement, dispatch and insurance fees that are incurred in connection with the transferable securities transactions of each sub-fund in units of other UCITS or UCIs;

(c) the transaction costs for the issue and redemption of Fund shares;

(d) the expenses and other costs incurred by the Depositary, the Registrar and Transfer Agent and the Central Administration Agent in connection with the respective sub-fund's assets and due to the necessary use of third parties, and particularly for the selection, analysis and usage of any depositaries or sub-custodians, will also be reimbursed. Furthermore, the Depositary also receives customary bank fees;

(e) taxes levied on the Fund's/sub-fund's assets, its income and the expenses charged to the respective sub-fund;

(f) the costs of legal advice incurred by the Investment Company, the Management Company or the Depositary if they have acted in the interests of the shareholders of the respective sub-fund;

(g) costs of the auditors of the Investment Company;

(h) costs for the creation, preparation, deposit, publication, printing and dispatch of all documents for the Investment Company, in particular any share certificates, the "Key Investor Information Document", the Sales Prospectus (including Annexes), the Articles of Association, the annual and semi-annual reports, the statement of assets, notices to shareholders, notices for convening meetings, sales notifications and/or applications for approval in the countries in which shares in the Investment Company or a sub-fund are sold and correspondence with the respective supervisory authorities;

(i) the administrative fees, which are to be paid for the Investment Company or a sub-fund to all relevant authorities, in particular the administrative fees of the Luxembourg Supervisory Authority, as well as the fees for filing documents for the Investment Company;

(j) costs in connection with any admission to stock exchanges;

(k) advertising costs and costs incurred directly in connection with the offer and sale of shares;

(l) insurance costs;

(m) fees, expenses and other costs of paying and sales agents and other agents that must be appointed abroad, which are incurred in connection with the respective sub-fund assets;

(n) interest incurred within the scope of loans taken out in accordance with Article 4 of the Articles of Association;

(o) fees and expenses of the investment committee, if any;

(p) any fees and expenses of the Board of Directors of the Investment Company;

(q) costs connected with the establishment of the Investment Company and/or the individual sub-funds and the initial issue of shares;

(r) costs arising through the analysis and assessment of portfolio transactions;

(s) further administrative costs including costs for interest groups;

(t) costs of ascertaining the split of the investment result into its success factors ("performance attribution");

(u) costs for assessing the Fund's/sub-fund's credit rating by nationally and internationally recognised rating agencies;

(v) reasonable costs for risk control;

(w) costs for the provision of analytical material or services by third parties with respect to one or more financial instruments or other assets or with respect to the issuers or potential issuers of financial instruments or in close connection to a particular industry or market; and

(x) telephone, fax and the use of other electronic means of communication and for external information media (such as Reuters, Bloomberg, VWD, etc.).

All costs will be charged first against each sub-fund's ordinary income and capital gains and then against the sub-fund assets.

Costs incurred for the establishment of the Investment Company and the initial issue of shares will be amortised over the first five financial years against the assets of the sub-funds existing at the time of establishment. The set-up costs and the aforementioned costs that are not solely attributable to a specific sub-fund shall be allocated to the respective sub-fund assets on a pro rata basis. Costs that are incurred as a result of the launching of additional sub-funds will be amortised over a period of a maximum of five financial years after launch to the detriment of the assets of the sub-fund to which these costs can be attributed.

VAT may be charged on all the aforementioned costs, fees and expenditures.

Assets which have not been admitted to the official market at a stock exchange or are not incorporated into an organised market may also be acquired for the relevant sub-fund. The Management Company may call upon the services provided by third parties for managing OTC derivatives and collateral for derivative transactions. The usual costs of such third-party services and the usual internal costs of the Management Company shall be charged to the relevant sub-fund. The Management Company is free to charge lower costs to the sub-fund or to one or more share classes, or to waive such costs altogether. The costs of third-party services are not covered by the management fee and shall therefore be additionally charged to the sub-fund. These costs and any losses from OTC derivative transactions shall be deducted from the sub-fund's earnings. The Management Company shall detail the fees charged to such third parties on behalf of the sub-fund and/or share classes in the annual and semi-annual report.

**Article 36 Financial year**

The Fund's financial year shall begin on 1 January of a given year and end on 31 December of the same year.

**Article 37 Depositary**

1. The Investment Company shall ensure that only one Depositary is appointed. The appointment of the Depositary is agreed in writing in the Depositary Agreement. DZ PRIVATBANK S.A., which has been appointed by the Management Company as the Depositary for the Investment Company, is a public limited company (Aktiengesellschaft) pursuant to the law of the Grand Duchy of Luxembourg, with its registered office at 4, rue Thomas Edison, L-1445 Strassen, Luxembourg, which carries out banking activities. The rights and obligations of the Depositary are governed by the Law of 17 December 2010, the applicable regulations, the Depositary Agreement, these Articles of Association and the Sales Prospectus (including Annexes).
2. The Depositary

    a) ensure that the sale, issue, repurchase, redemption and cancellation of shares of the Investment Company are carried out in accordance with the applicable statutory provisions and the procedure set out in the Articles of Association;

    b) ensure that the Investment Company’s net asset value per share is calculated in accordance with the applicable statutory provisions and the procedure set out in the Articles of Association;

c) carry out the instructions of the Management Company, unless they conflict with the applicable statutory provisions or the Articles of Association;

d) shall ensure that in transactions involving the assets of the Fund any consideration is remitted to the Fund within the usual time limits;

e) ensure that Fund income is applied in accordance with the applicable statutory provisions and the procedure set out in the Articles of Association.

3. The Depositary shall ensure that the cash flows of the Fund are properly monitored, and, in particular, that all payments made by, or on behalf of, shareholders upon the subscription of shares of the Investment Company have been received, and that all of the cash of the Fund has been booked in cash accounts that are:

a) are opened in the name of the Fund, the Management Company acting on behalf of the Fund or the Depositary acting on behalf of the Fund;

b) are opened at an entity referred to in points (a), (b) and (c) of Article 18(1) of Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive ("Directive 2006/73/EC"), and

c) are maintained in accordance with the principles set out in Article 16 of Directive 2006/73/EC.

Where the cash accounts are opened in the name of the Depositary acting on behalf of the Fund, no cash of the entity referred to in point 3(b) or any of the Depositary's own cash shall be booked in such accounts.

4. The Fund assets shall be entrusted to the Depositary for safekeeping as follows:

a) for financial instruments that may be held in custody:

i. the Depositary shall hold in custody all financial instruments that may be registered in a financial instruments account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary;

ii. ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Directive 2006/73/EC, opened in the name of the UCITS or the management company acting on behalf of the Fund, so that they can be clearly identified as belonging to the Fund in accordance with the applicable law at all times.

b) For other assets, the Depositary shall:

i. verify the ownership by the Fund, or by the Management Company acting on behalf of the Fund, of such assets by assessing whether the Fund or the Management Company acting on behalf of the Fund holds the ownership based on information or documents provided by the Fund or by the Management Company and, where available, on external evidence;

ii. maintain a record of those assets for which it is satisfied that the Fund or the management company acting on behalf of the Fund holds the ownership and keep that record up to date.

5. The Depositary shall provide the Management Company, on a regular basis, with a comprehensive inventory of all of the assets of the Fund.

6. The assets held in custody by the Depositary shall not be reused by the Depositary, or by any third party to which the custody function has been delegated, for their own account. Reuse comprises any transaction of assets held in custody including, but not limited to, transferring, pledging, selling and lending.

The assets held in custody by the Depositary are allowed to be reused only where:

a) the assets are reused on behalf of the Fund,

b) the Depositary is carrying out the instructions of the Management Company acting on behalf of the Fund,

c) the reuse is for the benefit of the Fund and in the interest of the unitholders; and

d) the transaction is covered by high-quality, liquid collateral received by the Fund under a title transfer arrangement.

The market value of the collateral shall, at all times, amount to at least the market value of the reused assets plus a premium.

7. In the event of insolvency of the Depositary to which custody of fund assets has been delegated, the assets of a Fund held in custody are unavailable for distribution among, or realisation for the benefit of, creditors of such a Depositary.

8. The Depositary may delegate its depositary duties under point 4 above to another company (sub-custodian) in accordance with the statutory provisions. Sub-custodians may, in turn, delegate the depositary duties assigned to them in compliance with the statutory provisions. The Depositary may not transfer the duties described in points 2 and 3 above to third parties.

9. In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and the shareholders of the Fund.

10. No company shall act as both Management Company and Depositary.

11. The Depositary shall not carry out activities with regard to the Fund or the management company acting on behalf of the Fund that may create conflicts of interest between the Fund, the shareholders in the Fund, the Management Company, the delegates of the Depositary and itself. This does not apply if the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to the shareholders of the Fund.

12. The Depositary shall be liable to the Fund and its unitholders for loss by the Depositary or a third party to which the custody of financial instruments has been delegated.

In the case of a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of an identical type or a corresponding amount to the Fund or the Management Company acting on behalf of the Fund without undue delay. In accordance with the Law of 17 December 2010 and the applicable regulations, the Depositary shall not be liable if it can prove that the loss 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.

The Depositary is also liable to the Fund, and to the shareholders of the Fund, for all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its statutory obligations.

The liability of the Depositary shall not be affected by any delegation as referred to in point 8.

Shareholders in the Fund may invoke the liability of the Depositary directly or indirectly through the Management Company provided that this does not lead to a duplication of redress or to unequal treatment of the shareholders.

**Article 38 Amendments to the Articles of Association**

These Articles of Association may be amended or supplemented at any time by a decision of the shareholders, provided the conditions for amending the Articles of Association as per the Law of 10 August 1915 are adhered to.

**Article 39 General**

With regard to any points not regulated in these Articles of Association, reference is made to the provisions of the Law of 10 August 1915 and the Law of 17 December 2010.

**NOTICE FOR INVESTORS OUTSIDE THE GRAND DUCHY OF LUXEMBOURG**

**Additional notices for shareholders in the Federal Republic of Germany**

**Institution in accordance with the provisions of EU Directive 2019/1160 Art. 92:**

**DZ PRIVATBANK S.A.**
4, rue Thomas Edison, L-1445 Strassen
Luxembourg
Ethenea@dz-privatbank.com

Subscription orders, redemption orders and conversion orders may also be submitted to the aforementioned institution.

All payments to investors may be made via the aforementioned institution.

Information, in particular notices for investors, will be published on the website of the Management Company (www.ethenea.com).

Issue and redemption prices of the Fund's shares are published daily on the websites www.dz-privatbank.com and www.ethenea.com and may be obtained from the institution and the Management Company at the business address 16, rue Gabriel Lippmann, L-5365 Munsbach.

Shareholders in the Federal Republic of Germany will also be informed by means of a durable medium in the following cases:

- Suspension of the redemption of shares in the Fund
- Termination of the management of the Fund or its liquidation
- Amendments to the Management Regulations, to the extent that such amendments are inconsistent with the current investment principles, or they affect material investor rights and disadvantage the investor, or they affect the remuneration and reimbursement of expenses, and disadvantage the investor, which may be withdrawn from the assets of the Fund
- Mergers of the Fund with one or more other funds
- Change of the Fund into a feeder fund or the change of a master fund

The Sales Prospectus (including Annex), the Articles of Association, the Key Information Documents of the respective unit certificate classes as well as the annual and semi-annual reports of the Fund may be consulted free of charge at the registered office of the Management Company, the Depositary, the Luxembourg institution as well as at the above-mentioned institution or may be obtained free of charge in paper form.

In addition, the Articles of Association of the Management Company, the Management Agreement, the Depositary Agreement and the Central Administration, Registrar and Transfer Agent and Institution Agreement may be consulted free of charge at the offices of the Management Company and the institution.

**Right of revocation pursuant to § 305 of the German Investment Code (Kapitalanlagegesetzbuch)**

If the buyer of units of an open-ended investment fund has been determined by oral negotiations outside the permanent business premises of the person who sold the units or brokered the sale to make a declaration of intent

to purchase, he shall be bound by this declaration only if he does not revoke it in text form within a period of two weeks with the Management Company or a representative within the meaning of § 319 of the German Investment Code ("KAGB"); this shall also apply if the person who sold the units or brokered the sale has no permanent business premises. In the case of distance selling transactions, § 312g (2) sentence 1 number 8 of the German Civil Code shall apply.

The timely dispatch of the notice of revocation shall be sufficient to comply with the time limit. The revocation period shall not begin to run until the copy of the application to conclude the contract has been handed over to the buyer or a purchase invoice has been sent and the copy or the purchase invoice contains information on the right of revocation that satisfies the requirements of Article 246 (3) sentences 2 and 3 of the Introductory Act to the German Civil Code. If the commencement of the period is disputed in accordance with § 305 (2) sentence 2 KAGB, the burden of proof shall be on the seller.

The right of revocation does not exist if the seller proves that:

1. the buyer is not a consumer within the meaning of § 13 of the Civil Code or

2. he has visited the buyer for the negotiations leading to the sale of the shares on the basis of a prior appointment pursuant to § 55 (1) of the Trade, Commerce and Industry Regulation Act (Gewerbeordnung).

If the revocation has been made and the buyer has already made payments, the Management Company is obliged to pay the buyer, if necessary concurrently with the retransfer of the purchased units, the costs paid and an amount corresponding to the value of the units paid for on the day following receipt of the notice of revocation.

The right of revocation may not be waived.

The above provisions on the right of revocation relating to the purchase of investment units shall apply accordingly to the sale of units by the investor.

**Additional information for investors in Austria**

This Annex contains additional information for Austrian investors regarding "HESPER FUND, SICAV" (the "Fund"). The Annex forms an integral part of the Prospectus and should be read in conjunction with the Prospectus and the Annexes to the current Prospectus of the Fund (the "Prospectus"). Unless otherwise indicated, all defined terms in this Annex shall have the same meaning as in the Prospectus.

The Management Company intends to publicly distribute shares of the Fund in Austria, has notified the Austrian Financial Market Authority of this intention, and has been authorized to do so since completion of the notification procedure.

**Institution in accordance with the provisions under EU Directive 2019/1160 Art. 92:**

**DZ PRIVATBANK S.A.**
4, rue Thomas Edison, L-1445 Strassen
Luxembourg
Ethenea@dz-privatbank.com

Applications for redemption of shares may be submitted to the institution. Payments to shareholders and share redemptions may be effected through the institution.

The Prospectus, the Key Information Documents of the respective unit certificate classes, the Articles of Association, the latest annual report and, if published thereafter, the semi-annual report may be obtained from the institution at the above address.

Issue and redemption prices of the Fund's shares are published daily on the websites www.dz-privatbank.com and www.ethenea.com and are also available from the institution and from the Management Company at the business address 16, rue Gabriel Lippmann, L-5365 Munsbach.

Information, in particular notices to investors, is published on the website of the Management Company (www.ethenea.com).

**Taxation**

Please note that taxation under Austrian law may differ materially from the tax situation described in this Prospectus. Investors and interested persons should consult their tax adviser as to the taxes due on their shareholdings.